

AGENDA

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GLASTONBURY BOARD OF FINANCE - NOTICE OF REGULAR MEETING

Wednesday, March 17, 2021, 4:00 PM

Held through Zoom Video Conferencing (details on page 2)

Board Members: Constantine Constantine; Chairman, Jennifer Sanford; Vice Chairman, Walter Cusson, Robert Lynn, James McIntosh, and James Zeller.

1. Public Comment Session: Comments pertaining to the call.
2. Communication: Chris Kachmar from DiMeo Schneider to discuss alternative manager options to Templeton Global Bond, as well as provide a review of diversified real asset strategies.
3. Communication:
 - a. Minutes of February 17, 2021 – Special & Regular BOF Meetings
 - b. Minutes of February 19, 2021 – Special BOF Meeting
4. Communication: Pension Report – January 2021
5. Communication: Month End Investments – January 2021
6. Communication: Financial Summary for 8 months - February 2021
7. Communication: Capital Projects – February 2021
8. Communication: Self Insurance Reserve Fund – February 2021
9. Communication: Transfers Approved by Town Manager Since Last Meeting
 - a. Youth & Family Printer (\$1,950)
 - b. Financial Administration Budget Reports (\$700)
10. Action: Transfers over \$5,000 (None)
11. Communication: Bank Collateralization Reports
12. Communication: Acquisition of People's Bank by M&T Bank
13. Communication: Memo re. Mr. Lynn's Pension Calculation Question
14. Communication: Items tabled from the February 17, 2021 meeting
 - a. Communication:
 - i. Minutes of January 20, 2021 – Special BOF Meeting
 - ii. Minutes of January 20, 2021 – CIP Workshop
 - iii. Minutes of January 27, 2021 – Annual Town Meeting
 - iv. Minutes of February 1, 2021 – Town Operating & CIP Special Meeting
 - v. Minutes of February 3, 2021 – BOE Budget Special Meeting
 - vi. Minutes of February 8, 2021 – Public Hearing & Propose Budget to Council Special Meeting
 - b. Communication: Pension Report – December 2020
 - c. Communication: Month End Investments – December 2020
 - d. Communication: Financial Summary for 7 months - January 2021
 - e. Communication: Capital Projects – January 2021
 - f. Communication: Self Insurance Reserve Fund – January 2021
 - g. Communication: Transfers Approved by Town Manager Since Last Meeting (None)
 - h. Action: Transfers over \$5,000 (None)
 - i. Communication: Audit Review Meeting
 - j. Board of Finance Committee Reports, comments and remarks (no action to be taken)
15. Board of Finance Committee Reports, comments and remarks (no action to be taken)
16. Adjournment

IN ACCORDANCE WITH GOVERNOR LAMONT'S EXECUTIVE ORDER 7B.1 "SUSPENSION OF IN-PERSON OPEN MEETING REQUIREMENTS", GLASTONBURY BOARD OF FINANCE MEETINGS ARE CURRENTLY BEING CONDUCTED THROUGH ZOOM VIDEO CONFERENCING UNTIL FURTHER NOTICE.

Join the Meeting - The public may join the Zoom Video Conference as an Attendee (view and listen function only) as follows:

Join by Zoom Meeting link:

<https://us02web.zoom.us/j/84178931024?pwd=ZnVTVW5PWFEhUm5VSy9LT1RWSEdiUT09>

Passcode: 530782

Join by Phone:

Dial: +1 312 626 6799 **or** +1 646 558 8656

Webinar ID: 841 7893 1024

Passcode: 530782

Public Comment may be submitted through a form at the following link no later than 2:00 p.m. one business day BEFORE the meeting is held for your comments to be included in the public comment session of the meeting. Be sure to select *Board of Finance* in question 4 of the form:

www.glastonbury-ct.gov/publiccomment

There is also the opportunity to give Public Comment as part of the virtual meeting if joining through the Zoom Meeting Link.

Watch the Meeting - This meeting will be broadcast in real-time through Public Access Television on Channel 16, or live streamed on the town website. [Click here to view by live streaming.](#)

If you are unable to join/participate in the meeting at the time it is held, the meeting will be available on the [Video On Demand page of the town website](#) within one week of the meeting date.*

**The Video On Demand page is accessible through any web browser EXCLUDING Internet Explorer. Please use Chrome, Edge, Firefox, Safari or any other web browser excluding IE to access meeting video content.*

Helping Clients Prosper.

BOF 3/17/21
Item # 2



DiMEO SCHNEIDER
& ASSOCIATES, L.L.C.

Glastonbury Retirement Plans Board of Finance Meeting Materials

March 17, 2021

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Past performance does not indicate future performance and there is a possibility of a loss.

www.dimeoschneider.com

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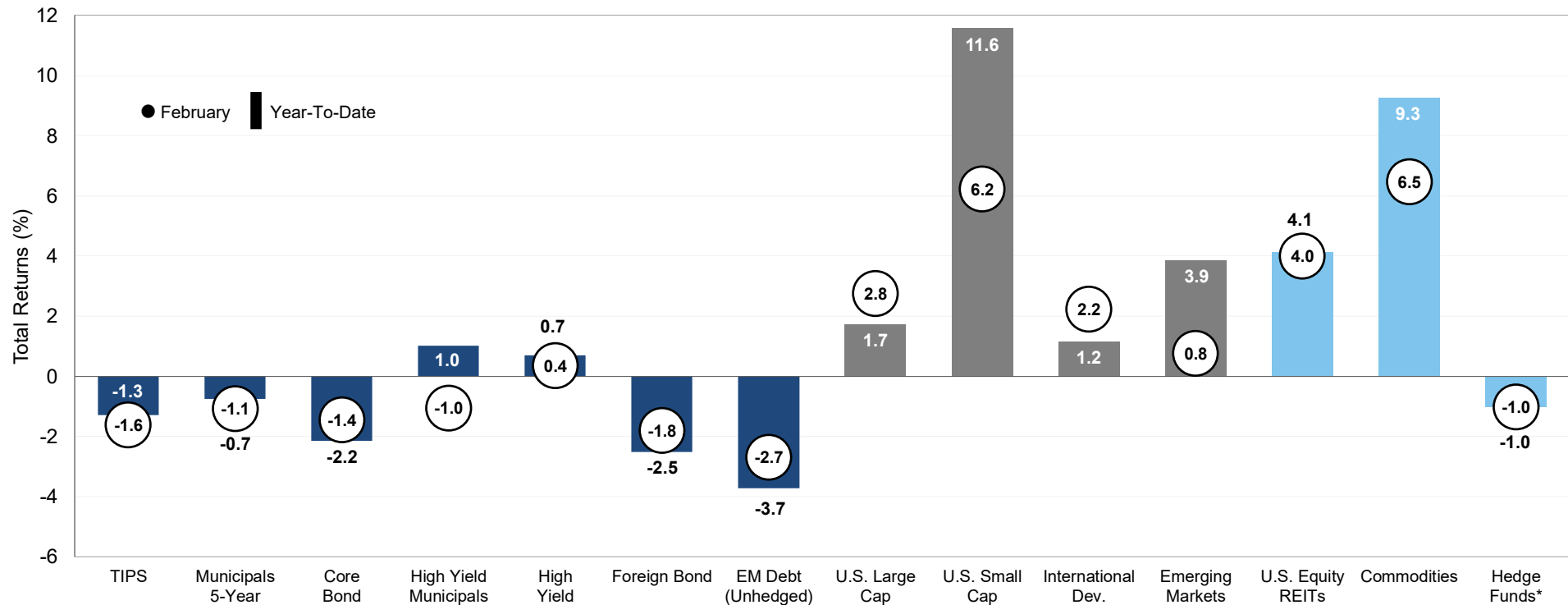


DIMEO SCHNEIDER
& ASSOCIATES, L.L.C.

FEBRUARY 2021 PERFORMANCE FLASH



ASSET CLASS PERFORMANCE (FEBRUARY 2021)



*Hedge Funds returns are lagged one month. Return reflects the January 2021 return.
Sources: Bloomberg, J.P. Morgan, Russell, MSCI, FTSE Russell, Alerian.

Fixed Income (February)

- Sharp climb in Treasury rates in the intermediate and long part of the curve
- + Spread tightening, particularly in higher-yielding segments of the market

Equities (February)

- + Vaccination progress and reopening optimism benefitted equity markets, notably small cap and value stocks
- + Better than expected 4Q corporate earnings

Real Assets / Alternatives (February)

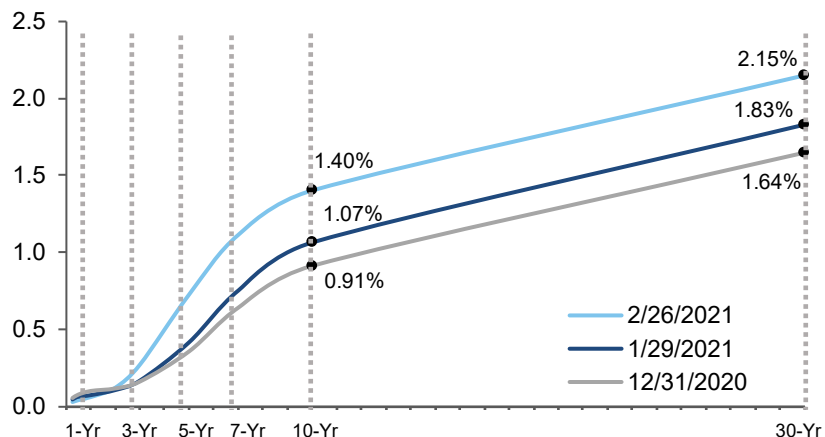
- + Rising inflation expectations supported higher commodity prices
- + Reopening optimism supported several real estate properties that were hardest hit by the pandemic



FIXED INCOME MARKET UPDATE

U.S. Treasury Curve

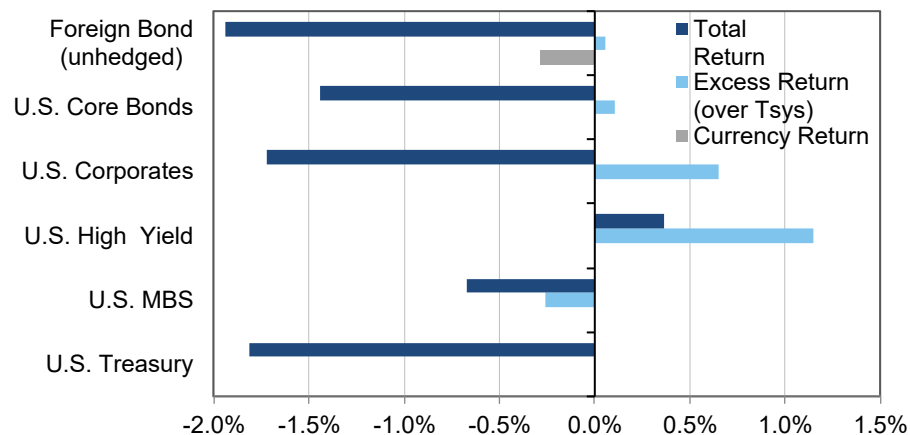
The 10-year and 30-year Treasury yields rose abruptly over the course of the month, reaching pre-pandemic levels.



Source: Bloomberg.

Index Performance Attribution (February 2021)

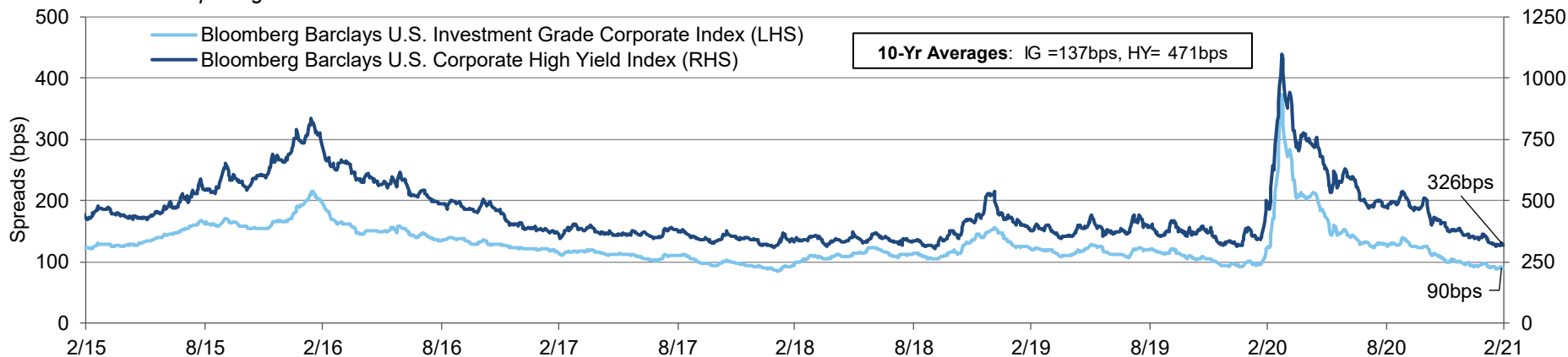
Surging Treasury yields hurt bond returns during the month, but demand from yield-starved investors kept spreads near historic lows.



Source: Bloomberg.

Credit Market Spreads – Trailing 5 Years

Despite the increased Treasury rate volatility, investment grade and high yield spreads tightened amid a generally optimistic backdrop of vaccine progress and economic reopening measures.



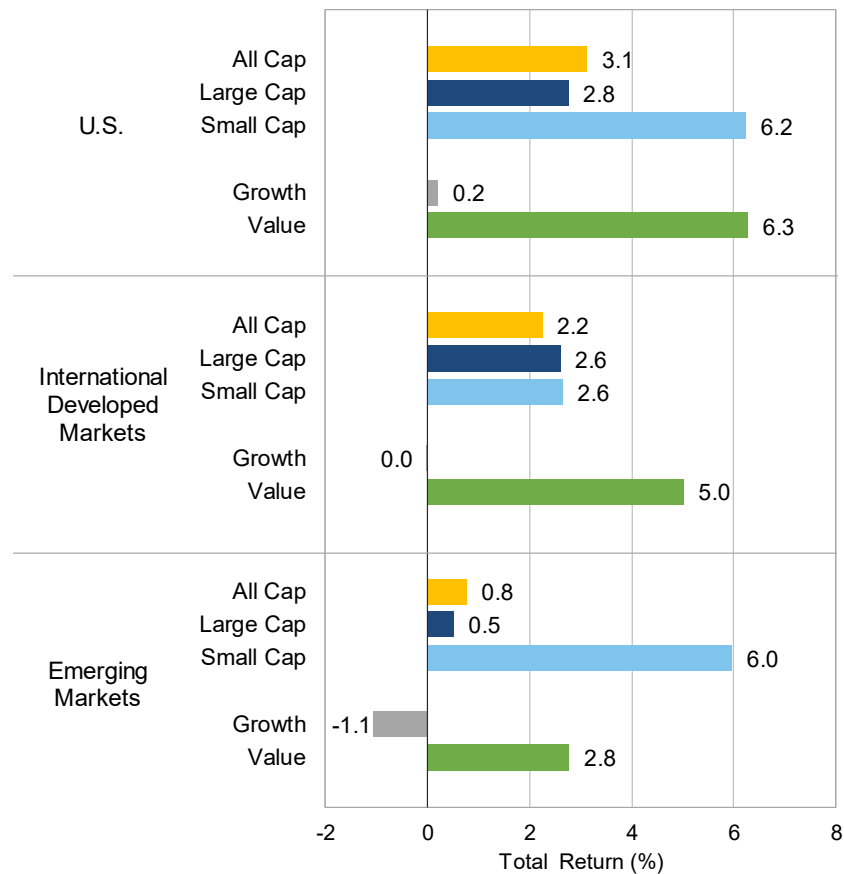
Source: Bloomberg.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.

EQUITY MARKET UPDATE

Market Capitalization and Style Performance (Feb 2021)

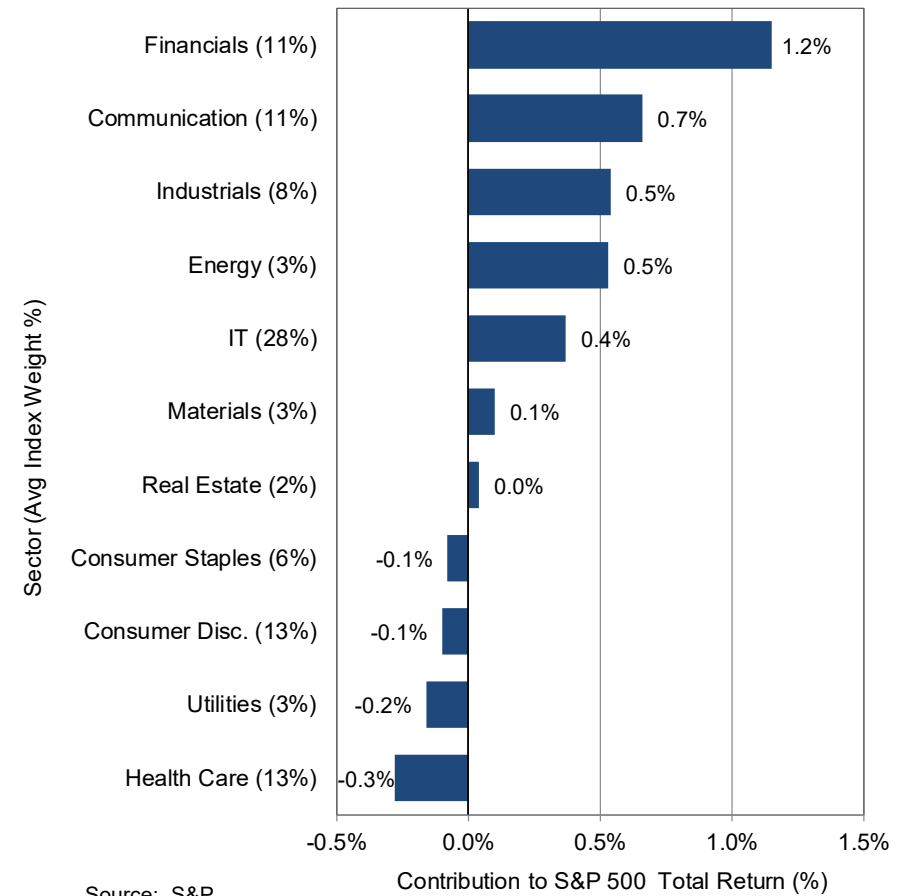
Small cap and value stocks outperformed the broader market upon more positive news about containment of the virus and vaccination.



Sources: S&P, Russell, MSCI.

U.S. Equities – Contribution to Return by Sector (Feb 2021)

Rising Treasury yields typically lead to higher bank deposit rates, benefitting the financial sector, which led this month's rally.



Source: S&P

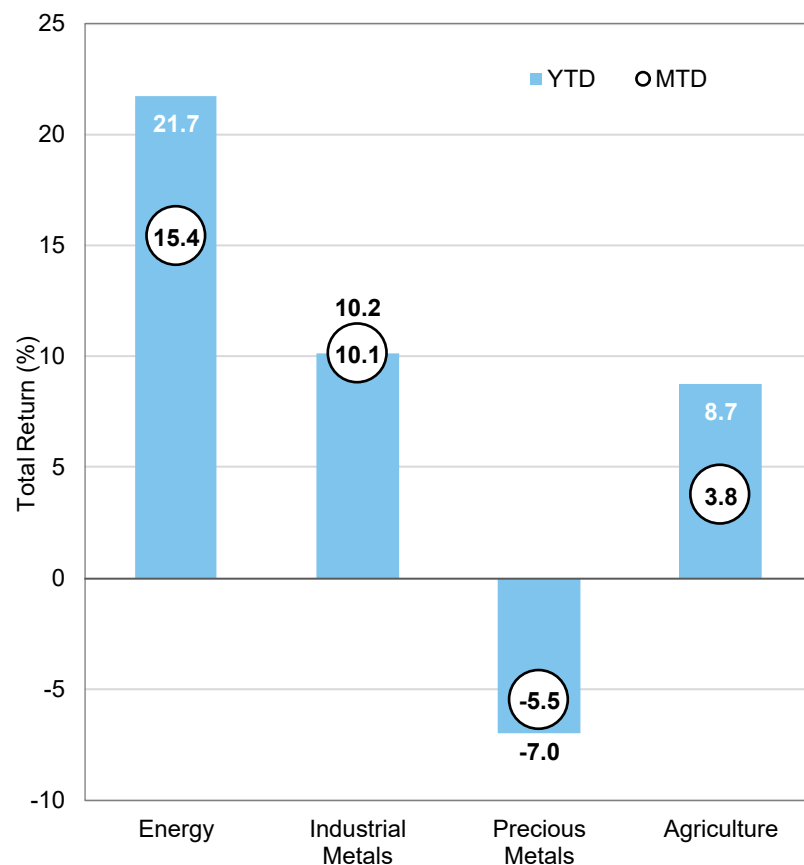
See disclosures for list of indices representing each asset class, region or country. CAPE = cyclically adjusted price/earnings ratio. Past performance does not indicate future performance and there is a possibility of a loss.



REAL ASSETS MARKET UPDATE

Real Assets Performance

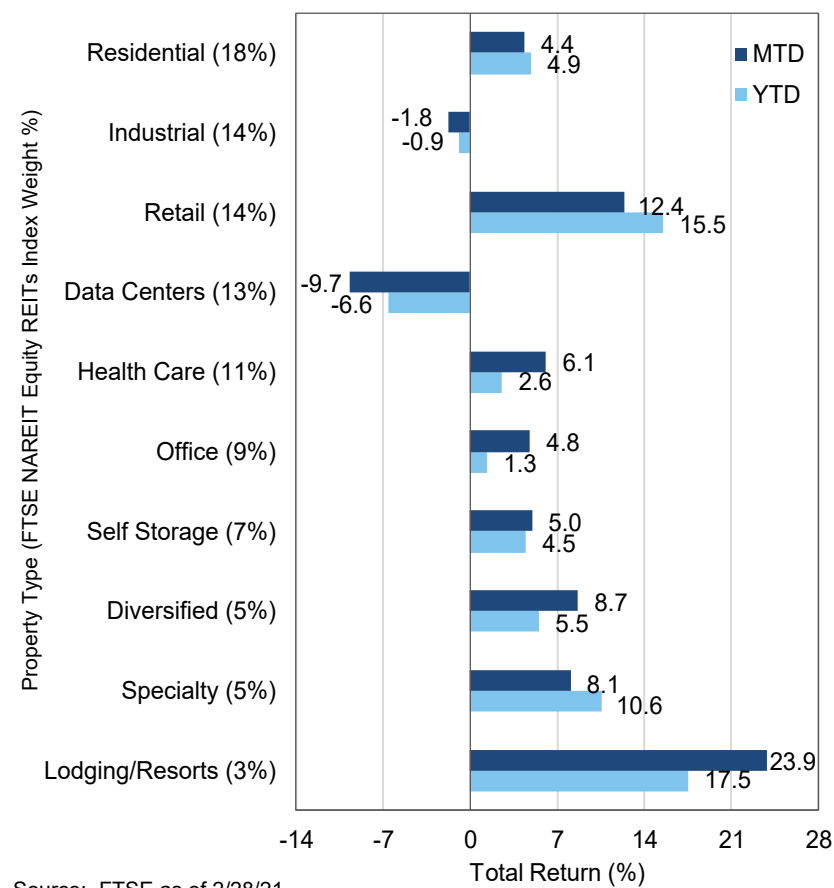
While rising inflation expectations benefitted commodities in aggregate, accelerating growth and inflation weighed on precious metals in February.



Source: Bloomberg as of 2/28/21.

REIT Sector Performance

Rebounds in some sectors that were hardest hit during the pandemic (e.g., retail and lodging/resorts) continued to gain from reopening measures.



Source: FTSE as of 2/28/21.

Financial Markets Performance

Total return as of February 28, 2021

Periods greater than one year are annualized

All returns are in U.S. dollar terms



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Global Fixed Income Markets	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg Barclays 1-3-Month T-Bill	0.0%	0.0%	0.3%	1.5%	1.1%	0.8%	0.6%	1.1%
Bloomberg Barclays U.S. TIPS	-1.6%	-1.3%	5.8%	6.1%	4.3%	3.4%	3.6%	4.2%
Bloomberg Barclays Municipal Bond (5 Year)	-1.1%	-0.7%	1.7%	3.7%	2.3%	2.4%	2.9%	3.6%
Bloomberg Barclays High Yield Municipal Bond	-1.0%	1.0%	1.3%	7.4%	6.4%	6.2%	7.0%	5.3%
Bloomberg Barclays U.S. Aggregate	-1.4%	-2.2%	1.4%	5.3%	3.6%	3.5%	3.6%	4.3%
Bloomberg Barclays U.S. Corporate High Yield	0.4%	0.7%	9.4%	6.6%	9.0%	5.4%	6.5%	7.4%
Bloomberg Barclays Global Aggregate ex-U.S. Hedged	-1.7%	-2.1%	-0.7%	4.2%	3.4%	4.0%	4.2%	4.1%
Bloomberg Barclays Global Aggregate ex-U.S. Unhedged	-1.9%	-2.9%	6.3%	2.5%	3.5%	1.3%	1.6%	3.4%
Bloomberg Barclays U.S. Long Gov / Credit	-4.2%	-7.0%	-1.4%	9.1%	6.8%	6.8%	7.4%	6.9%
JPMorgan GBI-EM Global Diversified	-2.7%	-3.7%	3.7%	0.6%	5.5%	1.1%	1.1%	4.4%
Global Equity Markets	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	2.8%	1.7%	31.3%	14.1%	16.8%	13.0%	13.4%	9.8%
Dow Jones Industrial Average	3.4%	1.4%	24.4%	9.8%	16.1%	12.2%	12.5%	9.9%
NASDAQ Composite	1.0%	2.5%	55.3%	23.2%	25.1%	18.7%	18.3%	13.7%
Russell 3000	3.1%	2.7%	35.3%	15.0%	17.4%	12.9%	13.4%	9.9%
Russell 1000	2.9%	2.0%	34.3%	15.0%	17.4%	13.1%	13.6%	10.0%
Russell 1000 Growth	0.0%	-0.8%	44.3%	21.0%	22.2%	17.0%	16.4%	12.4%
Russell 1000 Value	6.0%	5.1%	22.2%	8.2%	12.0%	8.9%	10.4%	7.4%
Russell Mid Cap	5.6%	5.3%	36.1%	13.7%	15.9%	11.2%	12.3%	9.8%
Russell Mid Cap Growth	1.7%	1.4%	46.3%	20.1%	20.5%	14.4%	14.5%	11.3%
Russell Mid Cap Value	7.7%	7.5%	27.7%	8.9%	12.4%	8.8%	10.7%	8.4%
Russell 2000	6.2%	11.6%	51.0%	14.8%	17.9%	10.8%	11.9%	9.1%
Russell 2000 Growth	3.3%	8.3%	58.9%	18.9%	21.1%	12.9%	13.8%	10.6%
Russell 2000 Value	9.4%	15.1%	41.0%	10.1%	14.2%	8.3%	9.6%	7.3%
MSCI ACWI	2.3%	1.9%	30.2%	10.3%	14.2%	9.1%	8.8%	7.0%
MSCI ACWI ex. U.S.	2.0%	2.2%	26.2%	5.4%	11.2%	5.1%	4.8%	4.6%
MSCI EAFE	2.2%	1.2%	22.5%	4.6%	9.7%	4.4%	5.0%	4.2%
MSCI EAFE Growth	-0.3%	-1.7%	28.0%	9.0%	12.0%	6.9%	7.0%	5.7%
MSCI EAFE Value	4.8%	3.9%	16.0%	-0.1%	7.2%	1.6%	3.0%	2.5%
MSCI EAFE Small Cap	2.6%	2.3%	31.2%	5.2%	11.7%	7.0%	7.8%	5.9%
MSCI Emerging Markets	0.8%	3.9%	36.0%	6.4%	15.2%	7.3%	4.4%	6.1%
Alternatives	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Consumer Price Index*	0.3%	0.3%	1.4%	1.8%	2.0%	1.6%	1.7%	1.8%
FTSE NAREIT Equity REITs	4.0%	4.1%	2.9%	9.2%	6.4%	7.1%	7.9%	6.2%
S&P Developed World Property x U.S.	2.1%	0.6%	3.6%	2.9%	6.8%	4.9%	5.6%	4.3%
S&P Developed World Property	3.1%	2.4%	3.5%	5.9%	6.5%	5.8%	6.6%	5.0%
Bloomberg Commodity Total Return	6.5%	9.3%	20.3%	0.3%	3.5%	-5.5%	-5.9%	-3.1%
HFRI Fund of Funds Composite*	-1.0%	-1.0%	9.4%	3.7%	4.9%	3.6%	3.2%	2.8%
HFRI Fund Weighted Composite*	1.3%	1.3%	13.7%	5.2%	7.0%	4.9%	4.3%	4.6%
Alerian MLP	7.8%	14.1%	0.3%	-7.4%	-1.0%	-7.2%	-1.6%	4.2%

Source: Bloomberg. (*) denotes reported with a one-month lag. Past performance does not indicate future performance and there is a possibility of a loss.

Asset Allocation

As of February 28, 2021

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	196,253,163	100.0	100.0	0.0
Short Term Liquidity	1,249,277	0.6	0.5	0.1
Wells Fargo Government Money Market	1,249,277	0.6	0.5	0.1
Fixed Income	58,126,054	29.6	33.5	-3.9
Metropolitan West Total Return Bond Pl	24,716,619	12.6	14.3	-1.7
BlackRock Total Return Fund K	25,006,817	12.7	14.3	-1.5
Templeton Global Bond R6	8,402,618	4.3	5.0	-0.7
Domestic Equity	86,000,647	43.8	40.0	3.8
Vanguard Institutional Index Fund Instl	57,783,001	29.4	28.0	1.4
Jackson Square SMID-Cap Growth IS	13,691,954	7.0	6.0	1.0
Earnest Partners SMID Cap Value CIT	14,525,692	7.4	6.0	1.4
International Equity	34,441,129	17.5	16.0	1.5
Vanguard International Growth Adm	11,508,335	5.9	5.5	0.4
Causeway International Value Instl	11,625,771	5.9	5.5	0.4
Templeton Instl Foreign Smaller Companies Fund Adv	4,209,525	2.1	2.0	0.1
Cape Ann Global Developing Markets	7,097,498	3.6	3.0	0.6
Real Estate	9,284,615	4.7	6.0	-1.3
Barings Core Property Fund LP	9,284,615	4.7	6.0	-1.3
Inflation Protection	7,151,441	3.6	4.0	-0.4
Vanguard Short-Term Inflation Protection Adm	3,321,171	1.7	2.0	-0.3
Parametric Commodity Strategy Instl	1,890,432	1.0	1.0	0.0
iShares Gold Trust	1,939,838	1.0	1.0	0.0

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance. Asset Allocation weightings may not add up to 100% due to rounding.

Town of Glastonbury, CT Pension

Performance Update As Of February 28, 2021

Portfolio Performance

	Value	Performance(%)											
		1 Month	QTD	YTD	Jul-2020 To Feb-2021	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception *	Aug-2011 To Feb-2021	Inception Date
Total Plan	196,253,163	1.7	1.5	1.5	19.1	24.3	9.6	11.2	7.5	7.8	7.4	8.0	01/01/2003
<i>Blended Benchmark</i>		<i>1.0</i>	<i>0.6</i>	<i>0.6</i>	<i>15.5</i>	<i>19.1</i>	<i>8.8</i>	<i>10.4</i>	<i>7.1</i>	<i>7.2</i>	<i>7.5</i>	<i>7.4</i>	<i>01/01/2003</i>

Calendar Year Performance

	2020	2019	2018	2017	2016	2015	2014
Total Plan	16.8	18.8	-6.1	15.9	7.1	-1.8	3.7
<i>Blended Benchmark</i>	<i>13.7</i>	<i>18.8</i>	<i>-5.3</i>	<i>14.9</i>	<i>7.4</i>	<i>-1.5</i>	<i>4.5</i>

Allocation Mandate

	Weight (%)
Jul-2020	
90 Day U.S. Treasury Bill	0.50
Blmbg. Barc. U.S. Aggregate Index	28.50
FTSE World Government Bond Index	5.00
Russell 3000 Index	40.00
MSCI AC World ex USA (Net)	16.00
NCREIF Fund Index - ODCE (net)	6.00
Glatonbury Short Term Inflation Protection Benchmark	4.00

The Since Inception performance figure includes performance of prior consultant. DiMeo Schneider performance inception date is 8/1/2011. The allocation mandate represents the current benchmark composition for the portfolio. Please keep in mind that the investment objective may have changed over time.

Manager Performance Overview

As of February 28, 2021

	1 Month	QTD	YTD	Jul-2020 To Feb-2021	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Aug-2011 To Feb-2021	Inception Date
Total Plan	1.7	1.5	1.5	19.1	24.3	9.6	11.2	7.5	7.8	7.4	8.0	01/01/2003
<i>Blended Benchmark</i>	<i>1.0</i>	<i>0.6</i>	<i>0.6</i>	<i>15.5</i>	<i>19.1</i>	<i>8.8</i>	<i>10.4</i>	<i>7.1</i>	<i>7.2</i>	<i>7.5</i>	<i>7.4</i>	
Wells Fargo Government Money Market	0.0	0.0	0.0	0.0	0.1	1.3	1.0	0.7	N/A	0.6	0.6	08/01/2011
<i>90 Day U.S. Treasury Bill</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.4</i>	<i>1.5</i>	<i>1.2</i>	<i>0.9</i>	<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	
Fixed Income	-1.1	-1.7	-1.7	0.9	1.9	4.5	3.9	3.2	3.7	4.1	3.5	01/01/2010
<i>Fixed Income Benchmark</i>	<i>-1.6</i>	<i>-2.4</i>	<i>-2.4</i>	<i>-0.5</i>	<i>1.6</i>	<i>4.8</i>	<i>3.4</i>	<i>3.1</i>	<i>3.3</i>	<i>3.7</i>	<i>2.9</i>	
Metropolitan West Total Return Bond PI	-1.3 (53)	-1.9 (53)	-1.9 (53)	0.6 (82)	3.4 (44)	6.2 (26)	4.1 (69)	3.8 (43)	N/A	4.4 (21)	4.4 (21)	08/01/2011
<i>Blmbg. Barc. U.S. Aggregate Index</i>	<i>-1.4</i>	<i>-2.2</i>	<i>-2.2</i>	<i>-0.9</i>	<i>1.4</i>	<i>5.3</i>	<i>3.6</i>	<i>3.5</i>	<i>3.6</i>	<i>3.3</i>	<i>3.3</i>	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-1.3	-1.8	-1.8	1.6	3.2	5.6	4.4	3.7	4.0	3.8	3.8	
BlackRock Total Return Fund K	-1.0 (15)	-1.5 (27)	-1.5 (27)	2.2 (35)	3.9 (34)	6.0 (29)	4.5 (49)	N/A	N/A	4.0 (31)	N/A	06/01/2015
<i>Blmbg. Barc. U.S. Aggregate Index</i>	<i>-1.4</i>	<i>-2.2</i>	<i>-2.2</i>	<i>-0.9</i>	<i>1.4</i>	<i>5.3</i>	<i>3.6</i>	<i>3.5</i>	<i>3.6</i>	<i>3.4</i>	<i>3.3</i>	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-1.3	-1.8	-1.8	1.6	3.2	5.6	4.4	3.7	4.0	3.7	3.8	
Templeton Global Bond R6	-1.0 (33)	-1.8 (39)	-1.8 (39)	-1.6 (100)	-5.0 (100)	-1.3 (100)	1.9 (95)	0.7 (100)	N/A	1.4 (85)	1.4 (85)	08/01/2011
<i>Bloomberg Barclays Global Aggregate</i>	<i>-1.7</i>	<i>-2.6</i>	<i>-2.6</i>	<i>3.3</i>	<i>4.3</i>	<i>3.8</i>	<i>3.6</i>	<i>2.3</i>	<i>2.5</i>	<i>2.0</i>	<i>2.0</i>	
IM Global Fixed Income (MF) Median	-1.5	-2.3	-2.3	4.2	4.6	3.9	4.1	2.6	2.9	2.5	2.5	
Domestic Equity	3.6	3.5	3.5	31.7	40.5	16.0	18.1	13.0	14.0	14.5	14.4	01/01/2010
<i>Domestic Equity Benchmark</i>	<i>3.1</i>	<i>2.7</i>	<i>2.7</i>	<i>28.6</i>	<i>35.3</i>	<i>15.0</i>	<i>17.4</i>	<i>13.0</i>	<i>13.4</i>	<i>14.2</i>	<i>14.3</i>	
Vanguard Institutional Index Fund Instl	2.8 (10)	1.7 (12)	1.7 (12)	24.3 (10)	31.3 (10)	14.1 (8)	16.8 (6)	13.0 (5)	N/A	14.3 (6)	14.3 (6)	08/01/2011
<i>S&P 500 Index</i>	<i>2.8</i>	<i>1.7</i>	<i>1.7</i>	<i>24.3</i>	<i>31.3</i>	<i>14.1</i>	<i>16.8</i>	<i>13.0</i>	<i>13.4</i>	<i>14.3</i>	<i>14.3</i>	
IM S&P 500 Index (MF) Median	2.7	1.7	1.7	24.0	30.9	13.8	16.4	12.6	12.9	13.8	13.8	
Jackson Square SMID-Cap Growth IS	2.0 (88)	5.3 (64)	5.3 (64)	N/A	N/A	N/A	N/A	N/A	N/A	39.9 (11)	N/A	10/01/2020
<i>Russell 2500 Growth Index</i>	<i>3.1</i>	<i>6.0</i>	<i>6.0</i>	<i>46.0</i>	<i>59.6</i>	<i>21.6</i>	<i>22.5</i>	<i>14.5</i>	<i>14.9</i>	<i>33.5</i>	<i>15.7</i>	
IM U.S. SMID Cap Growth Equity (MF) Median	3.9	6.1	6.1	43.0	58.0	22.3	23.7	14.1	14.6	31.4	15.2	
Earnest Partners SMID Cap Value CIT	8.9 (66)	9.1 (70)	9.1 (70)	N/A	N/A	N/A	N/A	N/A	N/A	39.0 (49)	N/A	10/01/2020
<i>Russell 2500 Index</i>	<i>6.5</i>	<i>9.1</i>	<i>9.1</i>	<i>47.2</i>	<i>45.9</i>	<i>15.1</i>	<i>17.4</i>	<i>11.1</i>	<i>12.3</i>	<i>39.0</i>	<i>13.1</i>	
IM U.S. SMID Cap Value Equity (MF) Median	9.5	10.8	10.8	43.1	31.8	7.0	11.2	6.8	8.8	38.5	9.8	

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Manager Performance Overview

As of February 28, 2021

	1 Month	QTD	YTD	Jul-2020 To Feb-2021	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Aug-2011 To Feb-2021	Inception Date
International Equity	2.9	3.1	3.1	39.0	44.8	9.9	14.7	7.8	6.9	7.3	7.4	01/01/2010
<i>MSCI AC World ex USA (Net)</i>	2.0	2.2	2.2	27.1	26.2	5.4	11.2	5.1	4.8	5.6	5.1	
Vanguard International Growth Adm	-1.8 (100)	2.3 (22)	2.3 (22)	45.4 (1)	72.4 (1)	21.6 (1)	24.7 (1)	14.6 (1)	N/A	12.9 (1)	12.9 (1)	08/01/2011
<i>MSCI AC World ex USA Growth (Net)</i>	-0.4	0.2	0.2	25.8	33.4	9.9	13.7	7.8	6.8	7.0	7.0	
IM International Large Cap Growth Equity (MF) Median	1.6	0.6	0.6	26.1	28.5	9.0	12.6	6.5	6.4	6.6	6.6	
Causeway International Value Instl	6.7 (22)	3.9 (47)	3.9 (47)	33.6 (5)	26.8 (9)	N/A	N/A	N/A	N/A	3.7 (11)	N/A	04/01/2018
<i>MSCI EAFE Value Index (Net)</i>	4.8	3.9	3.9	25.4	16.0	-0.1	7.2	1.6	3.0	0.8	3.6	
IM International Large Cap Value Equity (MF) Median	5.5	3.6	3.6	27.8	20.6	1.3	6.4	1.6	2.7	1.8	3.3	
Templeton Instl Foreign Smaller Companies Fund Adv	2.3 (84)	2.9 (51)	2.9 (51)	33.0 (46)	30.3 (22)	3.6 (37)	10.0 (56)	5.4 (47)	N/A	6.4 (46)	6.4 (46)	08/01/2011
<i>MSCI AC World ex USA Small Cap (Net)</i>	3.6	3.4	3.4	35.5	34.3	5.5	11.8	6.4	6.2	6.4	6.4	
IM International SMID Cap Core Equity (MF) Median	3.4	2.9	2.9	32.7	26.3	2.7	10.1	5.2	5.9	6.1	6.1	
Cape Ann Global Developing Markets	5.3 (5)	3.1 (74)	3.1 (74)	37.8 (42)	28.1 (77)	N/A	N/A	N/A	N/A	12.5 (82)	N/A	12/01/2018
<i>MSCI Emerging Markets (Net) Index</i>	0.8	3.9	3.9	36.2	36.0	6.4	15.2	7.3	4.4	16.7	4.2	
IM Emerging Markets Equity (MF) Median	1.6	4.3	4.3	35.8	35.0	6.2	14.5	6.9	4.4	17.4	4.0	
Real Estate	0.0	0.0	0.0	-1.3	-0.3	3.9	5.4	6.9	7.1	7.8	6.3	01/01/2010
<i>NCREIF Fund Index - ODCE (net)</i>	0.0	0.0	0.0	1.4	0.3	4.0	5.3	7.3	8.8	9.3	8.4	
Barings Core Property Fund LP	0.0	0.0	0.0	-1.3	-0.3	3.9	5.4	6.9	N/A	7.2	N/A	07/01/2012
<i>NCREIF Fund Index - ODCE (net)</i>	0.0	0.0	0.0	1.4	0.3	4.0	5.3	7.3	8.8	8.0	8.4	
Inflation Protection	-0.1	-0.2	-0.2	8.2	12.0	1.9	4.4	-2.1	N/A	-0.6	N/A	10/01/2011
<i>Short Term Inflation Protection Benchmark</i>	0.0	0.6	0.6	9.0	9.9	3.6	5.3	-1.0	-1.1	0.4	-1.1	
Vanguard Short-Term Inflation Protection Adm	0.1 (13)	0.6 (19)	0.6 (19)	3.7 (54)	4.7 (80)	3.8 (87)	2.7 (90)	1.8 (85)	N/A	1.7 (83)	N/A	10/01/2013
<i>Bloomberg Barclays US TIPS 0-5 Year Index</i>	0.1	0.6	0.6	3.7	4.7	3.8	2.8	1.8	1.7	1.8	1.4	
IM U.S. TIPS (MF) Median	-1.6	-1.2	-1.2	3.7	5.9	5.3	3.9	2.6	2.8	2.4	2.1	

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Manager Performance Overview

As of February 28, 2021

	1 Month	QTD	YTD	Jul-2020 To Feb-2021	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Aug-2011 To Feb-2021	Inception Date
Parametric Commodity Strategy Instl	6.9 (47)	9.5 (62)	9.5 (62)	34.8 (47)	31.5 (13)	N/A	N/A	N/A	N/A	18.7 (3)	N/A	12/01/2019
<i>Bloomberg Commodity Index Total Return</i>	6.5	9.3	9.3	31.3	20.3	0.3	3.5	-5.5	-5.9	8.9	-5.9	
IM Commodities General (MF) Median	6.8	10.1	10.1	34.5	23.1	1.1	4.1	-4.7	-5.4	10.7	-5.5	
iShares Gold Trust (IAU)	-6.5 (72)	-7.9 (81)	-7.9 (81)	-1.6 (77)	8.0 (81)	N/A	N/A	N/A	N/A	13.1 (74)	N/A	08/01/2019
<i>LBMA Gold Price PM</i>	-6.5	-7.8	-7.8	-1.4	8.3	9.8	7.1	4.0	2.1	13.4	0.7	
IM Commodities Precious Metals (MF) Median	-5.5	-7.2	-7.2	2.4	15.5	9.4	6.7	2.3	-0.4	14.6	-2.0	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Investment returns are derived from custodian valuations and may deviate slightly from fund level returns displayed in other pages in your report which can result in minor differences in universe rankings. Mutual fund performance may differ from the current share class historical performance due to share class exchanges. ETF returns by convention can be different from the product return.

Barings Core Property is valued as of most recent quarter-end.

Asset Allocation - New Hires Plan

As of February 28, 2021

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	1,372,634	100.0	100.0	0.0
Short Term Liquidity	26,649	1.9	0.0	1.9
Wells Fargo Government Money Market	26,649	1.9	0.0	1.9
Fixed Income	777,563	56.6	60.0	-3.4
Vanguard Total Bond Market Index Adm	777,563	56.6	60.0	-3.4
Domestic Equity	354,065	25.8	25.0	0.8
Vanguard Total Stock Market Index Adm	354,065	25.8	25.0	0.8
International Equity	214,356	15.6	15.0	0.6
Vanguard Total International Stock Index Adm	214,356	15.6	15.0	0.6

Investments with a zero balance were held in the portfolio during the reporting period and will be removed once they no longer impact portfolio performance. Asset Allocation weightings may not add up to 100% due to rounding.

Town of Glastonbury, CT New Hires Plan

Performance Update As Of February 28, 2021

Portfolio Performance

	Value	Performance(%)								
		1 Month	QTD	YTD	Jul-2020 To Feb-2021	1 Year	3 Years	5 Years	Since Inception	Inception Date
Total Plan	1,372,634	0.3	-0.3	-0.3	9.6	15.0	8.3	7.4	6.6	12/01/2015
<i>New Hires Blended Benchmark</i>		<i>0.3</i>	<i>-0.2</i>	<i>-0.2</i>	<i>10.3</i>	<i>13.2</i>	<i>7.7</i>	<i>8.1</i>	<i>7.2</i>	<i>12/01/2015</i>

Calendar Year Performance

	2020	2019	2018	2017	2016	2015	2014
Total Plan	13.8	15.0	-3.4	7.6	4.1	N/A	N/A
<i>New Hires Blended Benchmark</i>	<i>11.6</i>	<i>15.7</i>	<i>-3.8</i>	<i>11.4</i>	<i>5.2</i>	<i>N/A</i>	<i>N/A</i>

Allocation Mandate

	Weight (%)
Jun-2020	
Blmbg. Barc. U.S. Aggregate Index	60.00
CRSP US Total Market Spliced Index	25.00
FTSE Global All Cap ex US Spliced Index	15.00

The allocation mandate represents the current benchmark composition for the portfolio. Please keep in mind that the investment objective may have changed over time.

Manager Performance Overview - New Hires Plan

As of February 28, 2021

	1 Month	QTD	YTD	Jul-2020 To Feb-2021	1 Year	3 Years	5 Years	Since Inception	Inception Date
Total Plan	0.3	-0.3	-0.3	9.6	15.0	8.3	7.4	6.6	12/01/2015
<i>New Hires Blended Benchmark</i>	0.3	-0.2	-0.2	10.3	13.2	7.7	8.1	7.2	
<i>New Hires Secondary Benchmark</i>	0.0	-0.3	-0.3	7.5	9.9	6.4	6.5	5.8	
Wells Fargo Government Money Market	0.0	0.0	0.0	0.0	0.1	1.3	1.0	1.0	12/01/2015
<i>90 Day U.S. Treasury Bill</i>	0.0	0.0	0.0	0.1	0.4	1.5	1.2	1.1	
Fixed Income	-1.5	-2.3	-2.3	-1.0	1.4	5.3	3.5	3.7	12/01/2015
<i>Blmbg. Barc. U.S. Aggregate Index</i>	-1.4	-2.2	-2.2	-0.9	1.4	5.3	3.6	3.7	
Vanguard Total Bond Market Index Adm	-1.5 (66)	-2.3 (78)	-2.3 (78)	-1.0 (92)	1.4 (82)	5.3 (54)	3.5 (70)	3.7 (62)	12/01/2015
<i>Blmbg. Barc. U.S. Aggregate Index</i>	-1.4	-2.2	-2.2	-0.9	1.4	5.3	3.6	3.7	
IM U.S. Broad Market Core Fixed Income (MF) Median	-1.4	-2.0	-2.0	0.5	2.5	5.4	3.9	3.9	
Domestic Equity	3.2	2.8	2.8	28.8	35.6	15.0	17.4	14.8	12/01/2015
<i>CRSP US Total Market Spliced Index</i>	3.2	2.9	2.9	28.8	35.6	15.0	17.5	14.8	
Vanguard Total Stock Market Index Adm	3.2 (55)	2.8 (48)	2.8 (48)	28.8 (34)	35.6 (23)	15.0 (15)	17.4 (13)	14.8 (11)	12/01/2015
<i>CRSP US Total Market Spliced Index</i>	3.2	2.9	2.9	28.8	35.6	15.0	17.5	14.8	
IM U.S. Multi-Cap Core Equity (MF) Median	3.3	2.8	2.8	26.8	31.2	11.7	14.7	12.2	
International Equity	2.3	2.2	2.2	27.2	26.1	5.7	11.3	8.7	12/01/2015
<i>FTSE Global All Cap ex US Spliced Index</i>	2.2	2.3	2.3	28.0	27.3	5.6	11.4	8.8	
Vanguard Total International Stock Index Adm	2.3 (62)	2.2 (44)	2.2 (44)	27.2 (52)	26.1 (27)	5.7 (23)	11.3 (1)	8.7 (1)	12/01/2015
<i>FTSE Global All Cap ex US Spliced Index</i>	2.2	2.3	2.3	28.0	27.3	5.6	11.4	8.8	
IM International Large Cap Core Equity (MF) Median	2.9	2.0	2.0	27.5	23.2	4.8	9.2	6.2	

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Investment returns are derived from custodian valuations and may deviate slightly from fund level returns displayed in other pages in your report which can result in minor differences in universe rankings. Mutual fund performance may differ from the current share class's historical performance due to share class exchanges.

The Secondary Benchmark consists of 20% 90 Day US Treasury Bill, 50% Bloomberg Barclays US Aggregate, 15% Russell 3000 Index, and 15% MSCI AC World ex USA (Net).

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Data Source Acknowledgements, Links and Disclaimers

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Disclosures & Definitions

INDEX AND BENCHMARK DEFINITIONS:

- Bloomberg Barclays Treasury U.S. T-Bills-1-3 Month Index includes aged U.S. Treasury bills, notes and bonds with a remaining maturity from 1 up to (but not including) 3 months. It excludes zero coupon strips.
- Bloomberg Barclays Capital US Treasury Inflation Protected Securities Index consists of Inflation-Protection securities issued by the U.S. Treasury.
- Bloomberg Barclays Muni 5 Year Index is the 5 year (4-6) component of the Municipal Bond index.
- Bloomberg Barclays U.S. Aggregate Index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- Bloomberg Barclays Global Aggregate ex. USD Indices represent a broad-based measure of the global investment-grade fixed income markets. The two major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian government, agency and corporate securities.
- Bloomberg Barclays U.S. Corporate High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.
- JP Morgan Government Bond Index-Emerging Market (GBI-EM) Index is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.
- The S&P 500 is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
- The Dow Jones Industrial Index is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.
- The NASDAQ is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.
- Russell 3000 is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.
- Russell 1000 consists of the largest 1000 companies in the Russell 3000 Index.
- Russell 1000 Growth measures the performance of those Russell 1000 companies with higher P/B ratios and higher forecasted growth values.
- Russell 1000 Value measures the performance of those Russell 1000 companies with lower P/B ratios and lower forecasted growth values.
- Russell Mid Cap measures the performance of the 800 smallest companies in the Russell 1000 Index.
- Russell Mid Cap Growth measures the performance of those Russell Mid Cap companies with higher P/B ratios and higher forecasted growth values.
- Russell Mid Cap Value measures the performance of those Russell Mid Cap companies with lower P/B ratios and lower forecasted growth values.
- Russell 2000 consists of the 2,000 smallest U.S. companies in the Russell 3000 index.
- Russell 2000 Growth measures the performance of the Russell 2000 companies with higher P/B ratios and higher forecasted growth values.
- Russell 2000 Value measures the performance of those Russell 2000 companies with lower P/B ratios and lower forecasted growth values.
- Russell 3000 measures the performance of the entire U.S. stock market.
- Russell 3000 Growth measures the performance of the Russell 3000 companies with higher P/B ratios and higher forecasted growth values.
- Russell 3000 Value measures the performance of those Russell 3000 companies with lower P/B ratios and lower forecasted growth values.
- MSCI World ex USA Index captures large and mid-cap representation across Developed Markets countries (excluding the United States).
- MSCI World ex USA Growth Index measures the performance of the MSCI World ex USA companies with higher P/B ratios and higher forecasted growth values.
- MSCI World ex USA Value Index measures the performance of the MSCI World ex USA companies with lower P/B ratios and higher forecasted growth values.
- MSCI ACWI (All Country World Index) ex. U.S. Index captures large and mid-cap representation across Developed Markets countries (excluding the United States) and Emerging Markets countries. The index covers approximately 85% of the global equity opportunity set outside the US.
- MSCI ACWI (All Country World Index) ex. U.S. Small Cap Index captures small cap representation across Developed Markets countries (excluding the US) and Emerging Markets countries. The index covers approximately 14% of the global equity opportunity set outside the US.
- MSCI EAFE is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.
- MSCI EAFE Large Cap is an equity index which captures large-cap representation across Developed Markets countries around the world, excluding the US and Canada.
- MSCI EAFE Small Cap is an equity index which captures small-cap representation across Developed Markets countries around the world, excluding the US and Canada.
- MSCI EAFE Value captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. The index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- MSCI EAFE Growth captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend. The index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- MSCI Emerging Markets captures large and mid-cap representation across Emerging Markets countries. The index covers approximately 85% of the free-float adjusted market capitalization in each country.
- MSCI Emerging Markets Large Cap captures large-cap representation across Emerging Markets countries.
- MSCI Emerging Markets Small Cap captures small-cap representation across Emerging Markets countries.



DIMEO SCHNEIDER
& ASSOCIATES, L.L.C.

GLOBAL BOND MANAGER SEARCH

Investment Manager Review

Global Fixed Income

Period Ending December 31, 2020

Strategies Included:

Brandywine Gbl Opps Bond IS
PGIM Global Tot Rtn;Z
Templeton Gbl Bond Adv

The share classes and expense ratios shown on the Firm & Strategy pages in this report reflect the lowest expense share class of the fund. The actual share classes suitable and available for your plan may vary. Alternative share classes may be shown in the performance and statistics pages to provide the longest available track record.

The information contained in this report has been taken from trade and statistical services and other sources deemed reliable, although its accuracy cannot be guaranteed and it should not be relied upon as such. Any opinion expressed herein reflects our judgment at this date and are subject to change. The illustration represents past performance and should not be considered indicative of future results. Mutual funds are sold by prospectus only. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, it should not be assumed that your account holdings do or will correspond directly to any comparative indices.

FIRM & STRATEGY SUMMARY

FIRM INFORMATION

Firm Name: Brandywine Global

Location: Philadelphia, PA

Ownership: Subsidiary of Franklin Templeton

Firm Assets: \$66.3 billion

STRATEGY & VEHICLE INFORMATION

Strategy Name: Global Opportunistic Fixed Income

Strategy Inception: 1998

Strategy Assets: \$26.8 billion

Proposed Vehicle: Mutual Fund

Vehicle Name: BrandywineGlobal Global Opportunities Bond Fund

Vehicle Assets: \$2.3 billion

Vehicle Fees: 0.58% (IS - GOBSX)

Investment Team:

David Hoffman, who joined the team in 1995, is the lead portfolio manager on the strategy. The team is rounded out by an associate portfolio manager, dedicated analysts, and a dedicated trading team.

Investment Philosophy:

The Global Fixed Income team's approach is value driven, active and strategic. It focuses on finding value through a combination of above average real interest rates and an undervalued currency. Research is focused in areas where existing economic and market conditions enable that value to be realized in a short time frame.

Process:

The initial universe is comprised of sovereign debt and currencies in the index as well as the corporate and MBS securities in those countries. The process begins with a macro-economic analysis on a country by country basis in order to rank them based on opportunities. Further analysis is focused on countries with the highest real interest rates as inflation adjusted yield is the team's primary measure of value. Inflation trends, political risks, monetary trends, business cycle and liquidity measures are all considered. Currency valuations are examined next relative to their historic averages. Ideal situations are countries with high real rates combined with appreciating currencies (the team will hedge any currencies they feel are overvalued). The majority of investments are made in sovereign debt, however when the market overestimates credit risk, spread sectors may provide attractive opportunities. Individual security selection is a residual of the country and currency selection process. Spread product analysis is conducted by both quantitative and fundamental analysts on the team and only those securities that present significant value are added to the portfolio. Yield curve analysis, desired durations and wideness of spreads relative to government issues are all considered. Allocations to high yield and emerging markets are made on a tactical basis.

Portfolio Construction:

The portfolio is constructed from the top down by first identifying attractive countries and currencies. The portfolio is typically concentrated in 8-14 countries deemed to have the best total return potential. Duration is typically intermediate to long in countries where real interest rates are high.

Risk Controls:

The investment team focuses on the absolute value of securities and markets in which they invest. Risk is viewed as combination of price and information risk. The goal is to take on very little price risk by purchasing only undervalued securities while mitigating information risk through comprehensive analysis.

For the prospectus please go to www.brandywineglobal.com

FIRM & STRATEGY SUMMARY

FIRM INFORMATION

Firm Name: PGIM Fixed Income

Location: Newark, NJ

Ownership: Prudential Financial, Inc.

Firm Assets: \$968.2 billion

STRATEGY & VEHICLE INFORMATION

Strategy Name: PGIM Fixed Income Global Total Return Fixed Income

Strategy Inception: 2002

Strategy Assets: \$23.7 billion

Proposed Vehicle: Mutual Fund

Vehicle Name: PGIM Global Total Return Bond

Vehicle Assets: \$4.3 billion (9/30/20)

Vehicle Inception: 1986

Vehicle Fees: 0.56% (R6 share - PGTQX)

Note: Another share class is used in this report for performance purposes.

Investment Team:

The portfolio is managed using a team approach with day to day management responsibilities overseen by senior portfolio managers Michael Collins, Robert Tipp, and Matthew Angelucci.

Investment Philosophy:

The investment team seeks to generate attractive risk adjusted returns, as measured by information ratio, through prudent allocations across global fixed income markets and currencies. The process entails allocating an active risk budget, which is 335 bps for the Global Total Return strategy, across systematic and idiosyncratic risks. The team qualifies term structure, currency and spread risk as systematic risk; tail or idiosyncratic risks are qualified as country, sector, issuer and credit risk.

Process:

The process combines both top down and bottom up elements. To begin, the investment committee provides an assessment of the global market environment using economic research and sector analysis. The analysis is informed from a number of sources including the different sector heads, the firm's global macroeconomic research team, and a variety of quantitative metrics. This allows the portfolio management team to set the top down risk exposures in sectors, interest rates, countries and currencies to capture relative value opportunities. The portfolio management team relies heavily on the bottom up analysis conducted by the team's analysts. The team conducts fundamental research in all credit markets; produces proprietary quantitative relative value modeling in the government, mortgage, and non-U.S. dollar markets; and conducts significant relative value and technical analysis. The top down and bottom up work comes together in a risk-controlled manner using previously determined risk exposures in sector, interest rate, country, and currency positions reflecting their current market outlook. Risk budgets are closely monitored and help manage tracking error in the portfolio. While the process is team based and heavily relies upon the team's analysts, senior portfolio managers are ultimately responsible for all investment decisions and portfolio decisions.

Portfolio Construction:

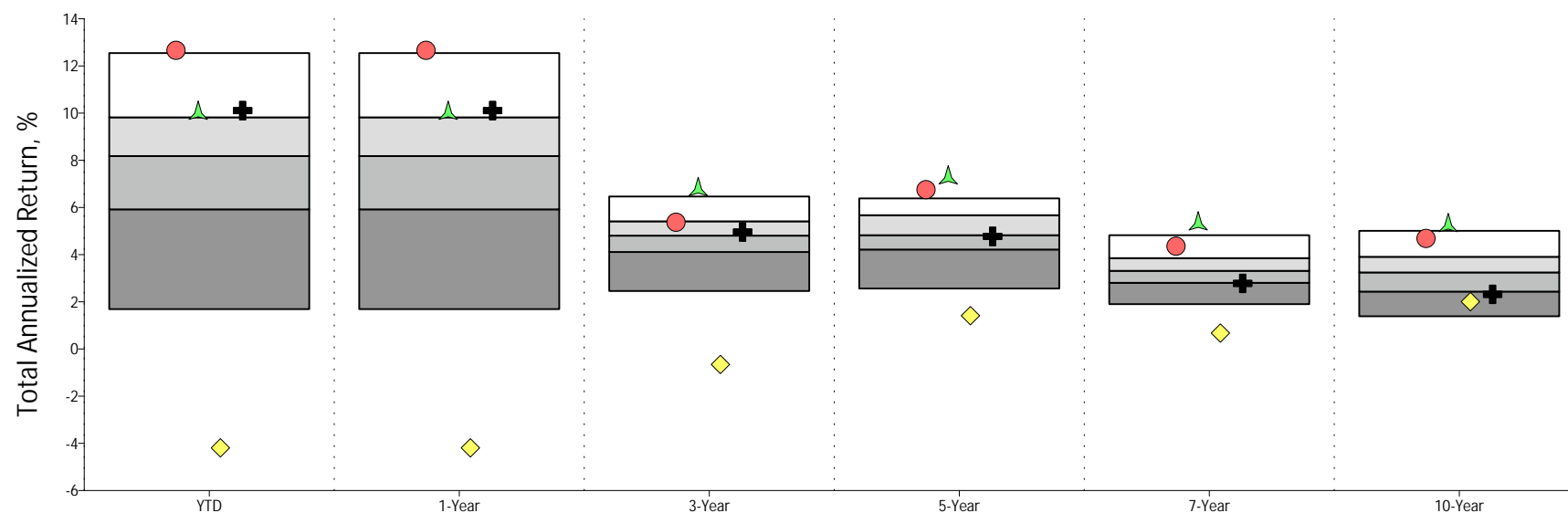
The portfolio is constructed within the context of an active risk budget, for this strategy it can be maxed out at 335 bps relative to the Bloomberg Barclays Global Aggregate, and will be adjusted depending on the current market environment. Sizing of positions occurs at the analyst and sector portfolio manager level, then feeds up into the Senior Portfolio Managers, who are focused on asset allocation. Duration of the portfolio is typically +/- 3 years relative to the Barclays Global Aggregate Bond Index. Below investment grade issues can be up to 35% of assets. The most predominant source of excess return is sector allocation followed by subsector and security selection, currency positions and currency.

Risk Controls:

Risk management is embedded in each step of the process. The investment team leverages the quantitative analyst resources to continuously monitor the active risk levels within the portfolio and where those risks are being derived from and whether they are systematic or idiosyncratic. Daily reports are generated that highlight to portfolio managers whether risk budget thresholds are breached in any portion of the portfolio. The more actively managed risk budget, the tail risks, focus on day-to-day movements across asset classes, sectors and securities.

For the prospectus please go to www.pgim.com

ANNUALIZED PERFORMANCE & PEER COMPARISON

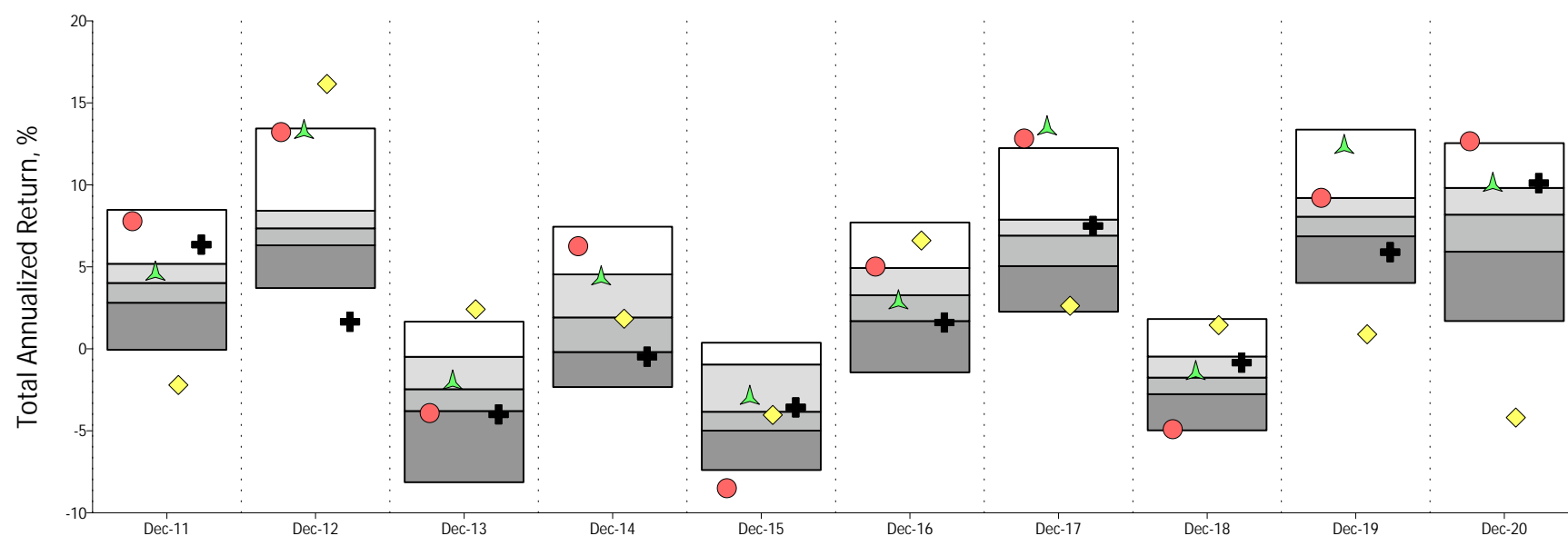


- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile
- Brandywine Gbl Opps Bond IS
- ▲ PGIM Global Tot Rtn;Z
- ◆ Templeton Gbl Bond Adv
- ⊕ FTSE WGBI TR USD

	YTD	1-Year	3-Year	5-Year	7-Year	10-Year
Brandywine Gbl Opps Bond IS	12.66	12.66	5.38	6.75	4.36	4.68
<i>Universe Ranking %</i>	4	4	26	3	11	10
PGIM Global Tot Rtn;Z	9.99	9.99	6.76	7.26	5.31	5.23
<i>Universe Ranking %</i>	22	22	3	1	2	3
Templeton Gbl Bond Adv	-4.19	-4.19	-0.65	1.41	0.68	2.00
<i>Universe Ranking %</i>	100	100	100	100	100	91
FTSE WGBI TR USD	10.11	10.11	4.96	4.78	2.78	2.32
<i>Universe Ranking %</i>	21	21	46	52	75	79

Alternative share classes with longer track records may be shown for performance. Please refer to the manager summary pages for share class information. Universe ranking is based on the Lipper Global Income Universe. Returns greater than one year are annualized.

CALENDAR YEAR PERFORMANCE

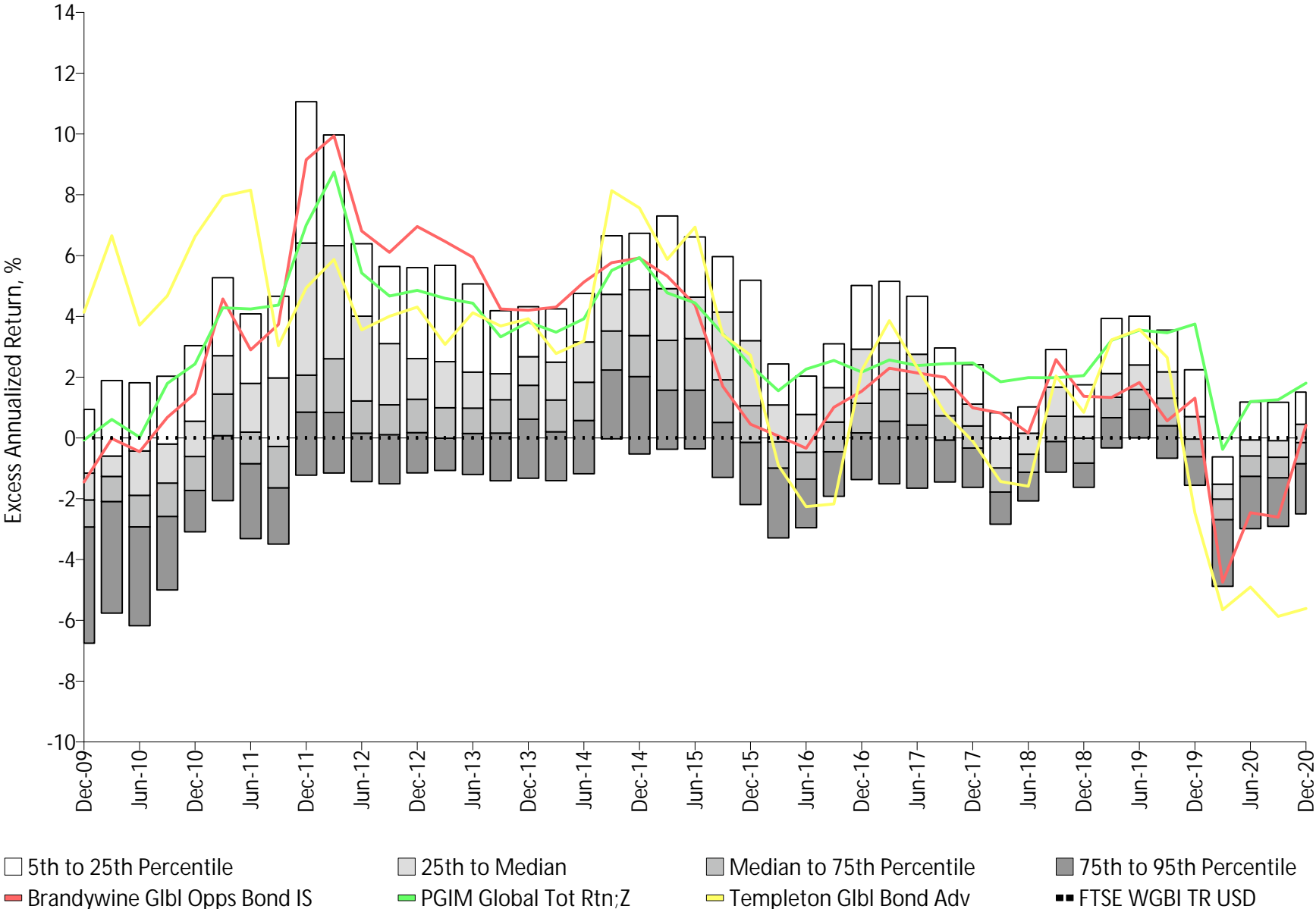


- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile
- Brandywine Gbl Opps Bond IS
- ▲ PGIM Global Tot Rtn;Z
- ◆ Templeton Gbl Bond Adv
- ✚ FTSE WGBI TR USD

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Brandywine Gbl Opps Bond IS	7.79	13.22	-3.92	6.26	-8.50	5.02	12.83	-4.90	9.21	12.66
<i>Universe Ranking %</i>	8	6	77	13	97	24	2	94	25	4
PGIM Global Tot Rtn;Z	4.58	13.22	-2.06	4.29	-2.99	2.83	13.44	-1.49	12.31	9.99
<i>Universe Ranking %</i>	35	5	43	26	36	53	1	43	6	22
Templeton Gbl Bond Adv	-2.21	16.15	2.41	1.84	-4.03	6.61	2.62	1.44	0.89	-4.19
<i>Universe Ranking %</i>	98	2	2	51	53	10	91	6	100	100
FTSE WGBI TR USD	6.35	1.65	-4.00	-0.48	-3.57	1.60	7.49	-0.84	5.90	10.11
<i>Universe Ranking %</i>	15	98	78	78	43	77	36	34	87	21

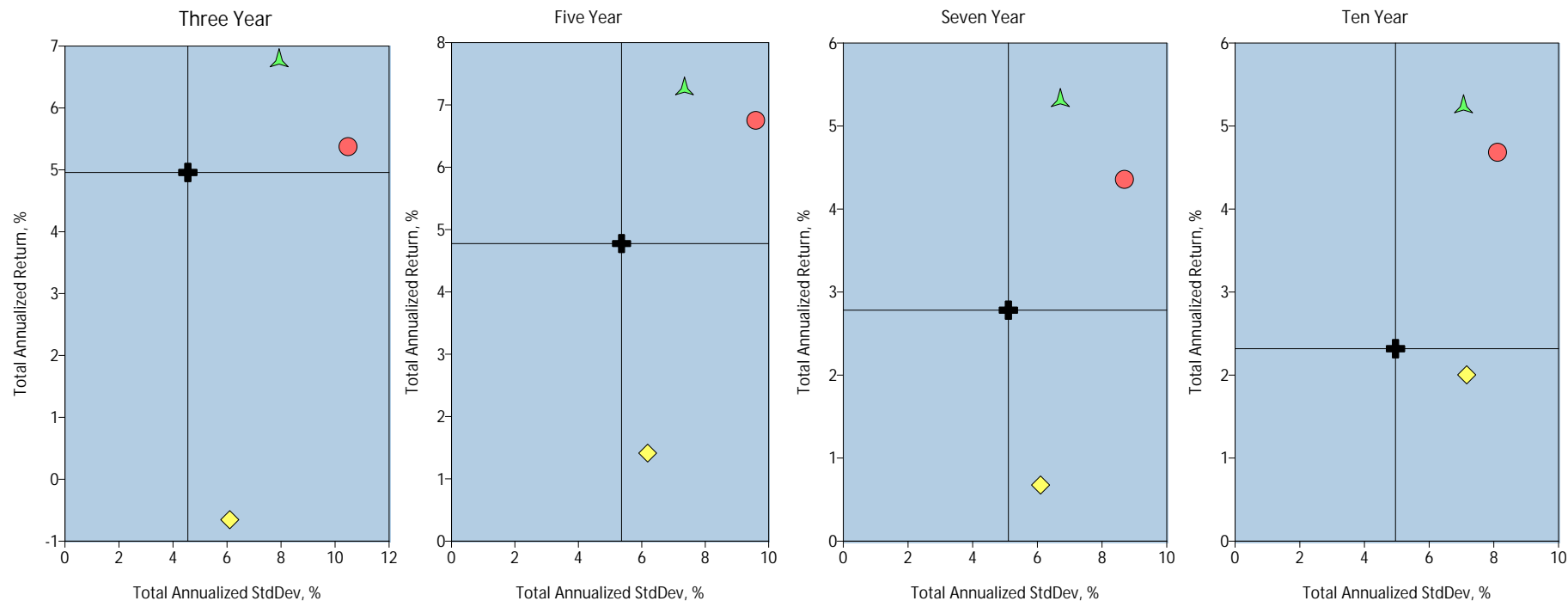
Alternative share classes with longer track records may be shown for performance. Please refer to the manager summary pages for share class information. Universe ranking is based on the Lipper Global Income Universe.

THREE-YEAR ROLLING EXCESS RETURNS



Data as of December 31, 2020 unless otherwise noted.

RETURN VS. RISK



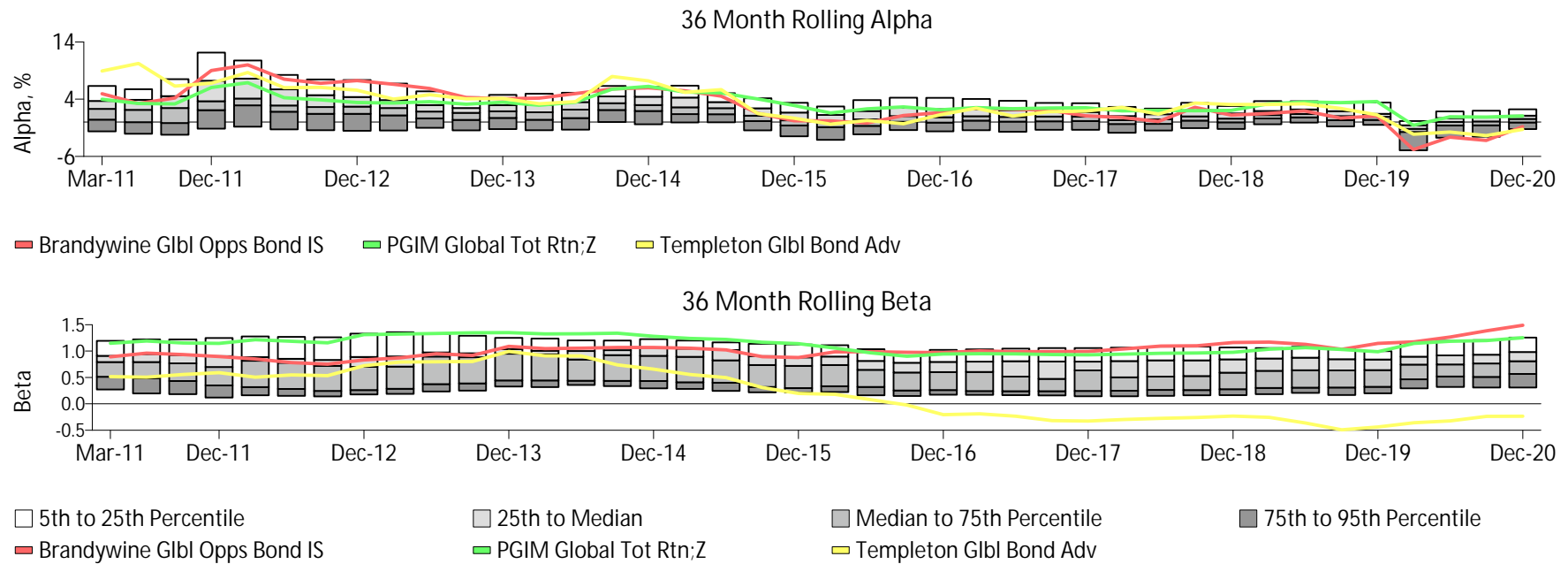
- Brandywine Gbl Opps Bond IS
- ▲ PGIM Global Tot Rtn;Z
- ◆ Templeton Gbl Bond Adv
- ✚ FTSE WGBI TR USD

	3 Years		5 Years		7 Years		10 Years	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
Brandywine Gbl Opps Bond IS	5.38	10.48	6.75	9.59	4.36	8.69	4.68	8.11
PGIM Global Tot Rtn;Z	6.76	7.93	7.26	7.35	5.31	6.71	5.23	7.06
Templeton Gbl Bond Adv	-0.65	6.10	1.41	6.19	0.68	6.10	2.00	7.16
FTSE WGBI TR USD	4.96	4.55	4.78	5.36	2.78	5.11	2.32	4.96

Data greater than one year is annualized.

Data as of December 31, 2020 unless otherwise noted.

PERFORMANCE STATISTICS



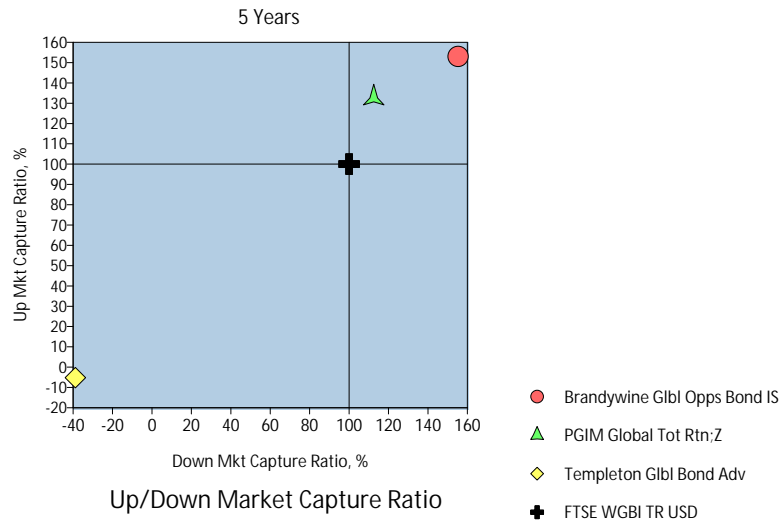
MPT STATISTICS

	5 Year					
	Alpha, %	Beta	R-Squared, %	Sharpe Ratio	Tracking Error, %	Batting Average
Brandywine Gbl Opps Bond IS	1.29	1.25	48.10	0.60	7.10	0.50
PGIM Global Tot Rtn;Z	2.20	1.08	61.02	0.82	4.65	0.72
Templeton Gbl Bond Adv	1.38	-0.27	5.39	0.06	9.13	0.43
FTSE WGBI TR USD	0.00	1.00	100.00	0.67	0.00	0.00

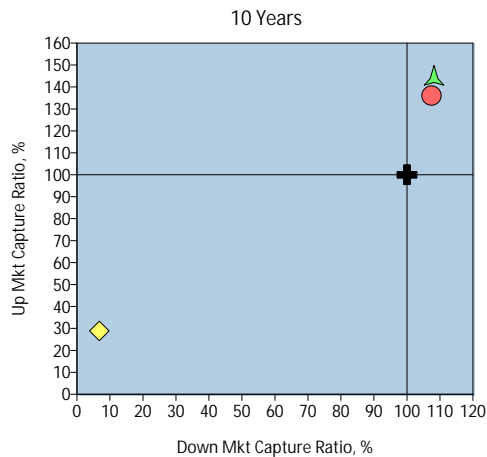
	7 Year					
	Alpha, %	Beta	R-Squared, %	Sharpe Ratio	Tracking Error, %	Batting Average
Brandywine Gbl Opps Bond IS	1.47	1.15	44.66	0.43	6.55	0.51
PGIM Global Tot Rtn;Z	2.43	1.05	62.90	0.67	4.12	0.71
Templeton Gbl Bond Adv	0.47	-0.24	3.90	0.00	8.71	0.46
FTSE WGBI TR USD	0.00	1.00	100.00	0.40	0.00	0.00

MARKET CAPTURE STATISTICS

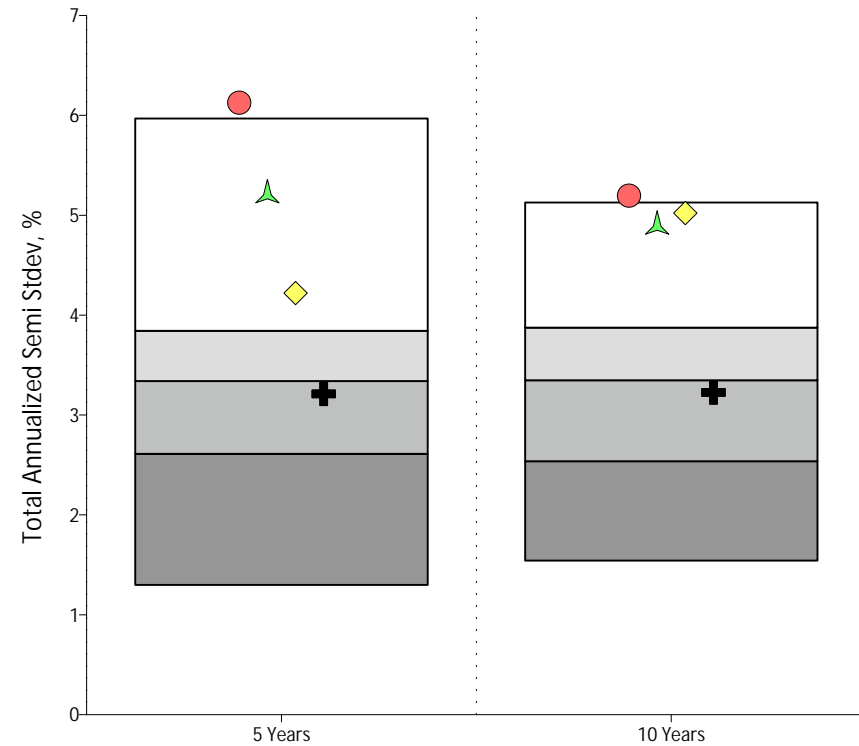
Up/Down Market Capture Ratio



Up/Down Market Capture Ratio



Downside Risk



	5 Years			10 Years		
	Up Mkt Capture Ratio, %	Down Mkt Capture Ratio, %	Annualized Semi Stdev to date, %	Up Mkt Capture Ratio, %	Down Mkt Capture Ratio, %	Annualized Semi Stdev to date, %
Brandywine Gbl Opps Bond IS	153.04	155.31	6.13	136.12	107.43	5.20
PGIM Global Tot Rtn;Z	132.60	112.52	5.20	143.81	108.24	4.89
Templeton Gbl Bond Adv	-5.19	-38.88	4.22	28.88	6.80	5.02

REPORT GLOSSARY

Alpha - Alpha measures the difference between an investment's actual performance, and its expected performance as indicated by its market sensitivity (Beta). A positive Alpha indicates the risk-adjusted performance is above that index.

Batting Average - This measures the frequency with which a manager performs better than a selected benchmark. It is computed by dividing the number of positive excess returns by the total number of excess returns during the period.

Beta - Beta is defined as a Manager's sensitivity to market movements and is used to evaluate market related, or systematic risk. Beta is a measure of the linear relationship, over time, of the Manager's returns and those of the Benchmark. Beta is computed by regressing the Manager's excess returns over the risk free rate (cash proxy) against the excess returns of the Benchmark over the risk free rate. An investment that is as equally volatile as the market will have a Beta of 1.0; an investment half as volatile as the market will have a Beta of 0.5; and so on. Thus, Betas higher than 1.0 indicate that the fund is more volatile than the market.

Down Market (Mkt) Capture Ratio - Down Market Capture Ratio is a measure of an investment's performance in down markets relative to the market itself. A down market is one in which the market's return is less than zero. The lower the investment's Down Market Capture Ratio, the better the investment protected capital during a market decline. A negative Down Market Capture Ratio indicates that an investment's returns rose while the market declined.

Downside Risk (Semi Standard Deviation, Semi StdDev, or Downside Deviation) - Downside Risk only identifies volatility on the down side. Downside Risk measures the variability of returns below zero, whereas Standard Deviation attributes volatility in either direction to risk. The Downside Risk method calculates the deviations below zero for each observed return. Each time a return falls below zero, the sum is divided by the number of observations and the square root is taken. This result is then shown on an annualized basis.

Excess - Denotes that a statistic is being measured relative to the Market Index selected.

R-Squared (R^2) - This statistic indicates the degree to which the observed values of one variable, such as the returns of a managed portfolio, can be explained by, or are associated with the values of another variable, such as a Market Index. The R^2 values generally range from 0.0 to 1.0. An investment with an R^2 of 1.0 is perfectly correlated with the market. An R^2 of 0.95, for example, implies that 95% of the fluctuations in a portfolio are explained by fluctuations in the market.

Sharpe Ratio - The Sharpe Ratio indicates the excess return per unit of total risk as measured by Standard Deviation. It is a ratio of excess returns over the risk free rate to the Standard Deviation. The Sharpe Ratio is a measure of the premium earned for the risk incurred by the portfolio.

Standard Deviation (StdDev) - A measure of the extent to which observations in a series vary from the arithmetic mean of the series. The Standard Deviation of a series of asset returns is a measure of volatility, or risk, of the asset. The more volatile the returns, the higher the standard deviation will be.

Style Map - Plots the historical exposures of a fund's style across appropriate dimensions, such as growth vs. value for equity funds. By viewing this chart, an investor can determine a manager's style consistency over time. Returns based style analysis is used.

Tracking Error - Tracking Error is a measure of how closely an investment's returns track the returns of the selected Market Index. It is the annualized Standard Deviation of the differences between the investment's and the associated index's returns. If an investment tracks its associated index closely, then Tracking Error will be low. If an investment tracks its associated index perfectly, then Tracking Error will be zero.

Up Market (Mkt) Capture Ratio - Up Market Capture Ratio is a measure of a product's performance in up markets relative to the market itself. An up market is one in which the market's return is greater than or equal to zero. The higher the investment's Up Market Capture Ratio, the better the investment capitalized on a rising market.



DIMEO SCHNEIDER
& ASSOCIATES, L.L.C.

DIVERSIFIED REAL ASSETS MANAGER SEARCH

Investment Manager Review

Real Assets

Period Ending December 31, 2020

Strategies Included:

DWS RREEF Real Assets; Inst
Principal:Dvs RI As;Inst

The information contained in this report has been taken from trade and statistical services and other sources deemed reliable, although its accuracy cannot be guaranteed and it should not be relied upon as such. Any opinion expressed herein reflects our judgment at this date and are subject to change. The illustration represents past performance and should not be considered indicative of future results. Mutual funds are sold by prospectus only. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, it should not be assumed that your account holdings do or will correspond directly to any comparative indices.

FIRM & STRATEGY SUMMARY

FIRM INFORMATION

Firm Name: DWS Group

Location: Chicago, IL

Ownership: 79.5% Deutsche Bank Ag 20.5% Publicly Held

Firm Assets: \$969.4 billion

STRATEGY & VEHICLE INFORMATION

Strategy Name: DWS Real Assets Strategy

Strategy Inception: March 2010

Strategy Assets: \$994.3 million

Proposed Vehicle: Mutual Fund

Vehicle Name: DWS RREEF Real Assets

Vehicle Assets: \$829.8 million

Vehicle Inception: March 2010

Vehicle Fees: 0.90% (Instl. shares - AAAZX)

Investment Team:

DWS Real Assts utilizes a team based approach. Portfolio managers, John Vojticek (who also serves as group CIO), Evan Rudy (lead PM on real assets) and Frank Greywitt (also the lead PM for the global listed infrastructure team) have ultimate decision making authority. The team is further supported by the 30 PMs/analysts across the firm's liquid real assets platform.

Investment Philosophy:

The investment philosophy is based on the idea that combining a diverse mix of real asset classes can provide stronger risk adjusted returns relative to any single real asset sector alone. Macroeconomic environments have historically been the driver of sector performance within the universe. The team has a goal of identifying trends within individual sectors and determining how broader economic fundamentals influence long-term revenue drivers of the companies and asset classes invested in.

Process:

The process begins with top-down allocations to each of the underlying sectors. Two of the most important macro factors are inflation and economic growth, which the team believes to be the critical components to understand when making investment decisions. This is the basis for the proprietary "Quadrant Model" that incorporates growth and inflation inputs that influences positioning. The quadrant framework provides a repeatable, actionable framework for allocation across multiple buckets of the real asset investment universe. The model is based on economic growth and inflation, which will determine allocations between asset classes and sectors that comprise an asset class. The model uses the rate of change (measured by change in year-over-year figures) of both real GDP and CPI to make its determination of which quadrant environment we are moving toward in the near future. Once the top-down framework is determined, allocations are filled with what the team believes to be the best ideas within each of the asset and sub-asset classes, leveraging the stock selection and underwriting within each of the core strategies.

Portfolio Construction:

The DWS Real Assets Strategy is a multi-real assets portfolio that allocates to global real estate (10%-40%; 30% strategic), global infrastructure (10%-40%; 30% strategic), commodities (and resource equities; 10%-40%; 30% strategic), and TIPS (0%-20%, 10% strategic). The investment universe consists of approximately 650-700 securities across the real assets market, with roughly 500 securities that are extensively followed.

Risk Controls:

Portfolio monitoring is generally the responsibility of Evan Rudy as the lead portfolio manager. Tools are in place to continually monitor beta and tracking error for each underlying component, as well as the factors to which the portfolio is most exposed to. In addition, a Liquid Real Assets Strategic Investment Committee was developed to formally address asset allocation and security selection, as well as any potential macroeconomic risk that impact the portfolio in the near term.

For the prospectus please go to www.fundsus.dws.com

FIRM & STRATEGY SUMMARY

FIRM INFORMATION

Firm Name: Principal Portfolio Strategies

Location: Des Moines, Iowa

Ownership: Publicly Held

Firm Assets: \$702 billion

STRATEGY & VEHICLE INFORMATION

Strategy Name: Principal Diversified Real Asset

Strategy Inception: March 2010

Strategy Assets: \$4.8 billion

Proposed Vehicle: Mutual Fund

Vehicle Name: Principal Diversified Real Asset

Vehicle Assets: \$1.5 billion

Vehicle Inception: March 2010

Vehicle Fees: 0.74% (CIT)

Investment Team:

The Principal Diversified Real Asset Fund is managed by Jessica Bush, Marc Dummer, Kelly Grossman and Ben Rotenberg. The PMs are responsible for providing oversight of the Fund, developing and monitoring the investment guidelines for each underlying portfolio and rebalancing the underlying portfolios.

Investment Philosophy:

The premise of the investment philosophy is that stocks and bonds exhibit low correlations to inflation over both short and long time horizons, and real assets have historically provided excellent inflation protection. The most effective method to manage the impacts of longevity, sequential return, and inflation risks is to maintain an allocation to a diverse portfolio of real assets.

Process:

The investment process utilizes a multi-strategy, multi-manager approach with several investment sleeves. Sleeves include CMBS, floating rate debt, TIPS, global infrastructure, global water, global natural resources, global timber, commodities and global REITs. Each sleeve is managed by a different sub-advisor, each implementing their own security selection process. The Principal Portfolio Strategies team conducts a rigorous sub-advisor screening process and continuously monitors the underlying managers. Qualities the team looks for in sub-advisors include track record, assets under management, investment style, minimum account size and performance. The first part of Principal's management process is selecting the investable strategies consistent with the Fund's objective. The team then formulates capital market forecasts and an efficient portfolio is constructed by optimizing return per unit of risk. A rules-based rebalancing strategy is employed so that if a manager's weight reaches the upper or lower limit, it is rebalanced half way back to target.

Portfolio Construction:

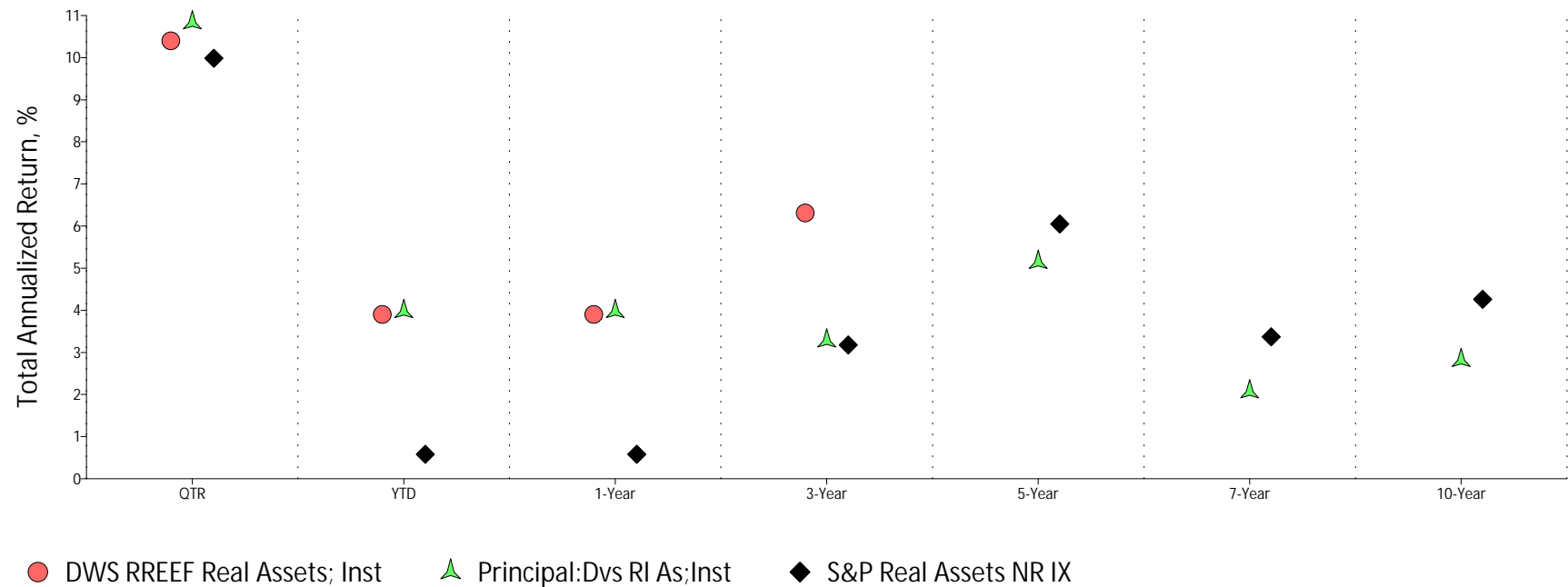
Allocation decisions are implemented primarily through the capital market assumptions constructed by the team. The Fund uses a multi-manager approach to provide a diversified allocation to inflation-sensitive asset class portfolios. Each sleeve is managed to a target tactical, active allocation. Target weights are set in order to achieve inflation sensitivity targets.

Risk Controls:

Portfolio Managers are responsible for monitoring the risk/reward profile of underlying investments and total portfolio risk. The diversified set of inflation sensitive asset classes provides an inherent layer of risk protection.

For the prospectus please go to www.principalfunds.com

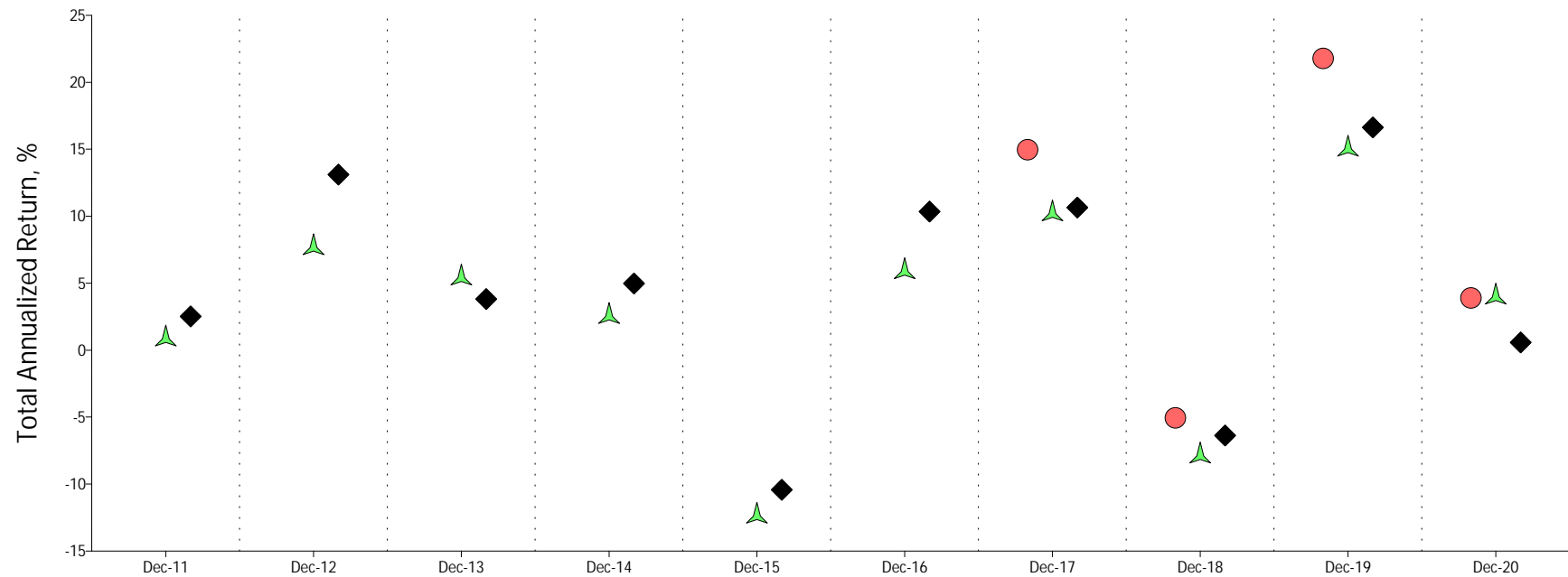
ANNUALIZED PERFORMANCE & PEER COMPARISON



	YTD	1-Year	3-Year	5-Year	10-Year
DWS RREEF Real Assets; Inst	3.90	3.90	6.31	NA	NA
Principal:Dvs RI As;Inst	3.97	3.97	3.27	5.13	2.81
S&P Real Assets NR IX	0.58	0.58	3.18	6.05	4.26

Note: Alternative share classes may be shown to provide the longest track record. Please refer to the manager pages for share class information. Universe ranking is based on the . Returns greater than one year are annualized.

CALENDAR YEAR PERFORMANCE



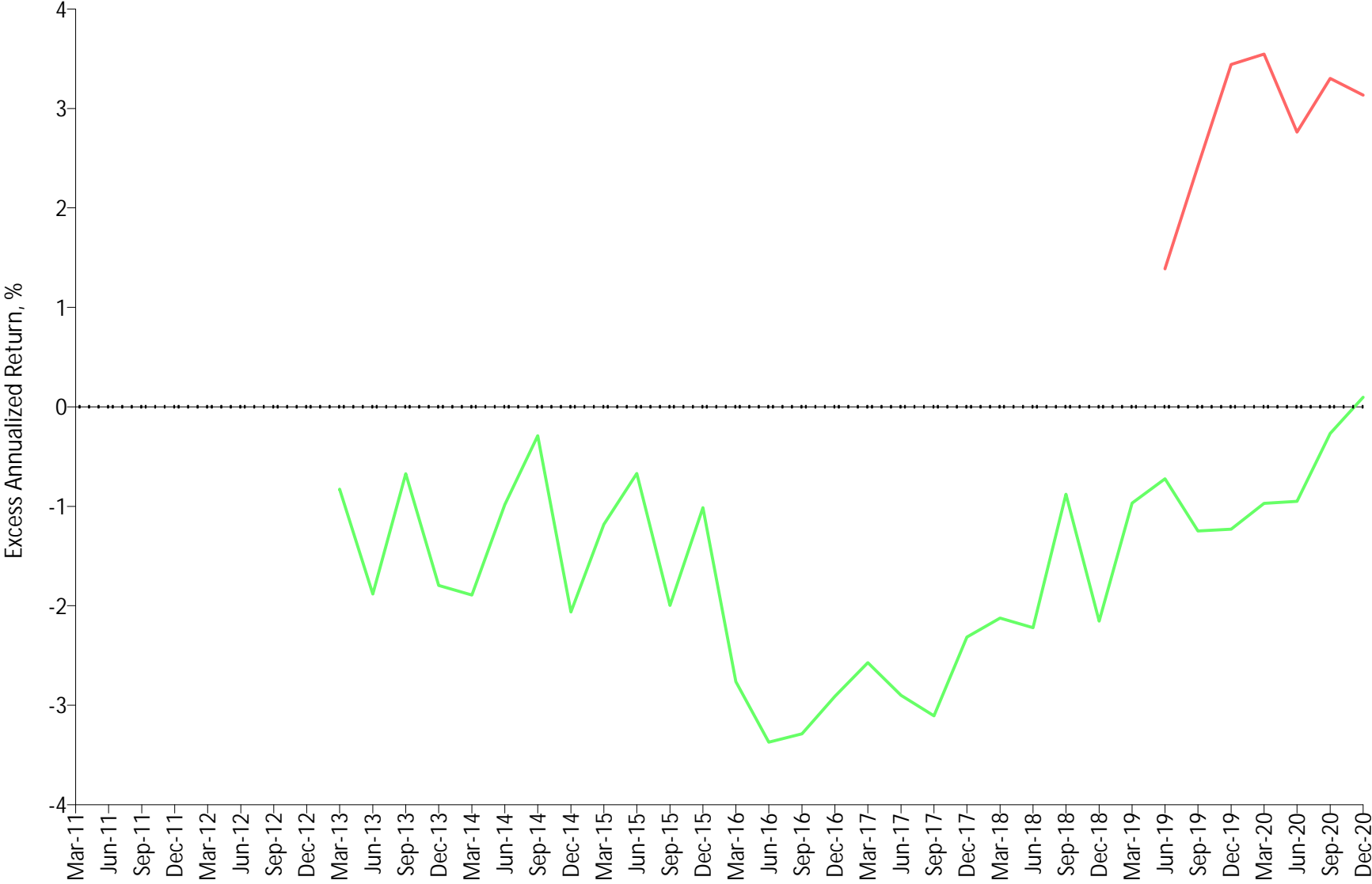
● DWS RREEF Real Assets; Inst ▲ Principal:Dvs RI As;Inst ◆ S&P Real Assets NR IX

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
DWS RREEF Real Assets; Inst	NA	NA	NA	NA	NA	NA	14.97	-5.06	21.79	3.90
Principal:Dvs RI As;Inst	0.83	7.65	5.38	2.52	-12.40	5.86	10.17	-7.90	15.01	3.97
S&P Real Assets NR IX	2.52	13.12	3.80	4.98	-10.43	10.35	10.66	-6.37	16.63	0.58

Universe ranking is based on the . Returns greater than one year are annualized.

Data as of December 31, 2020 unless otherwise noted.

THREE-YEAR ROLLING EXCESS RETURNS

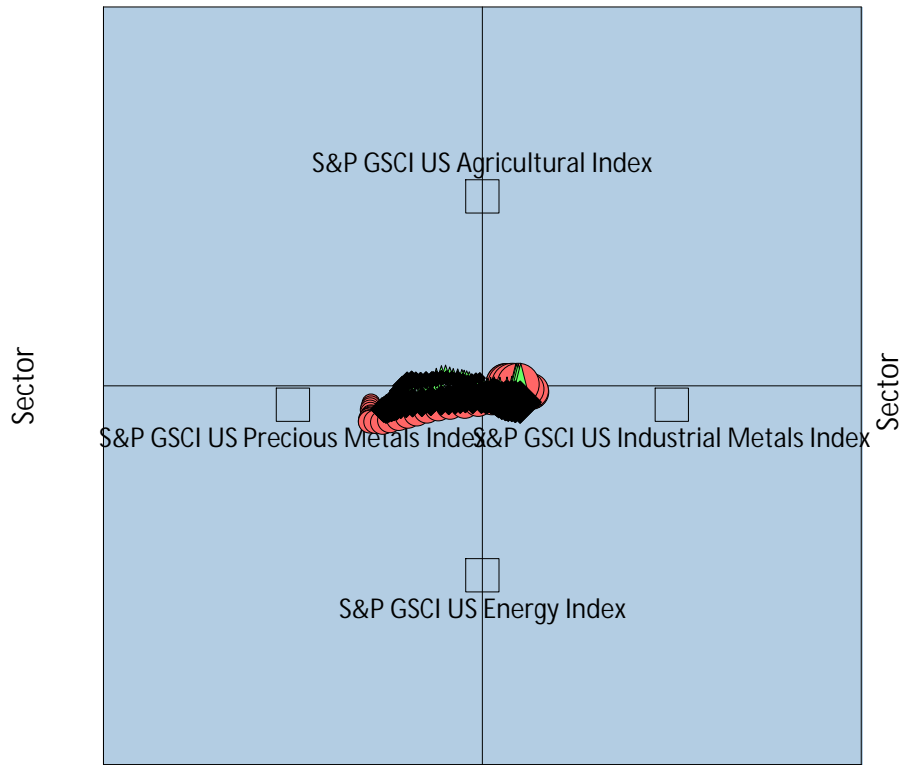


■ DWS RREEF Real Assets; Inst
 ■ Principal:Dvs RI As;Inst
 ■ S&P Real Assets NR IX

STYLE ANALYSIS

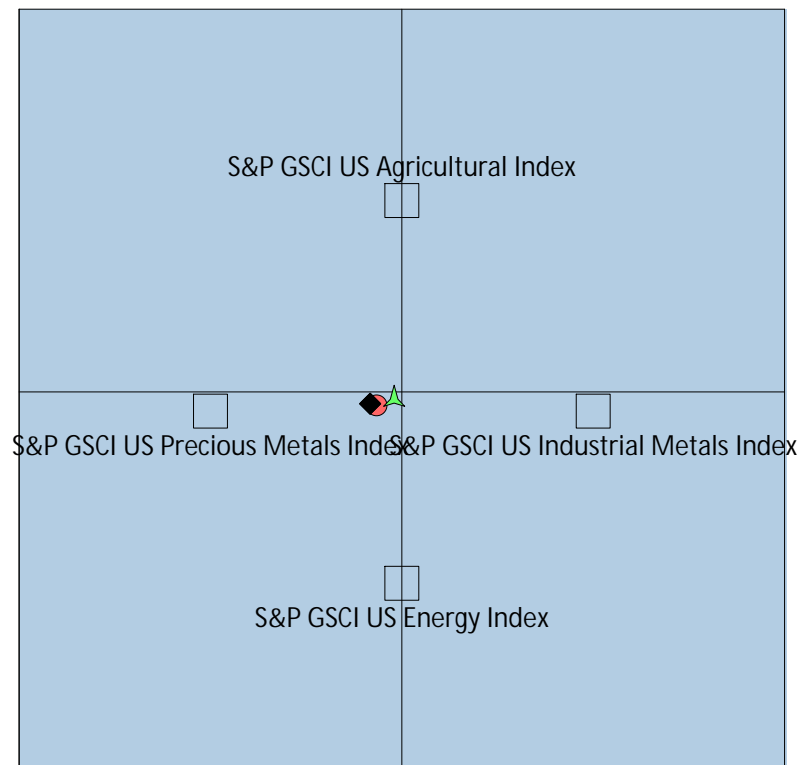
Style Drift - Rolling 12 Months

5 Years



Average Style

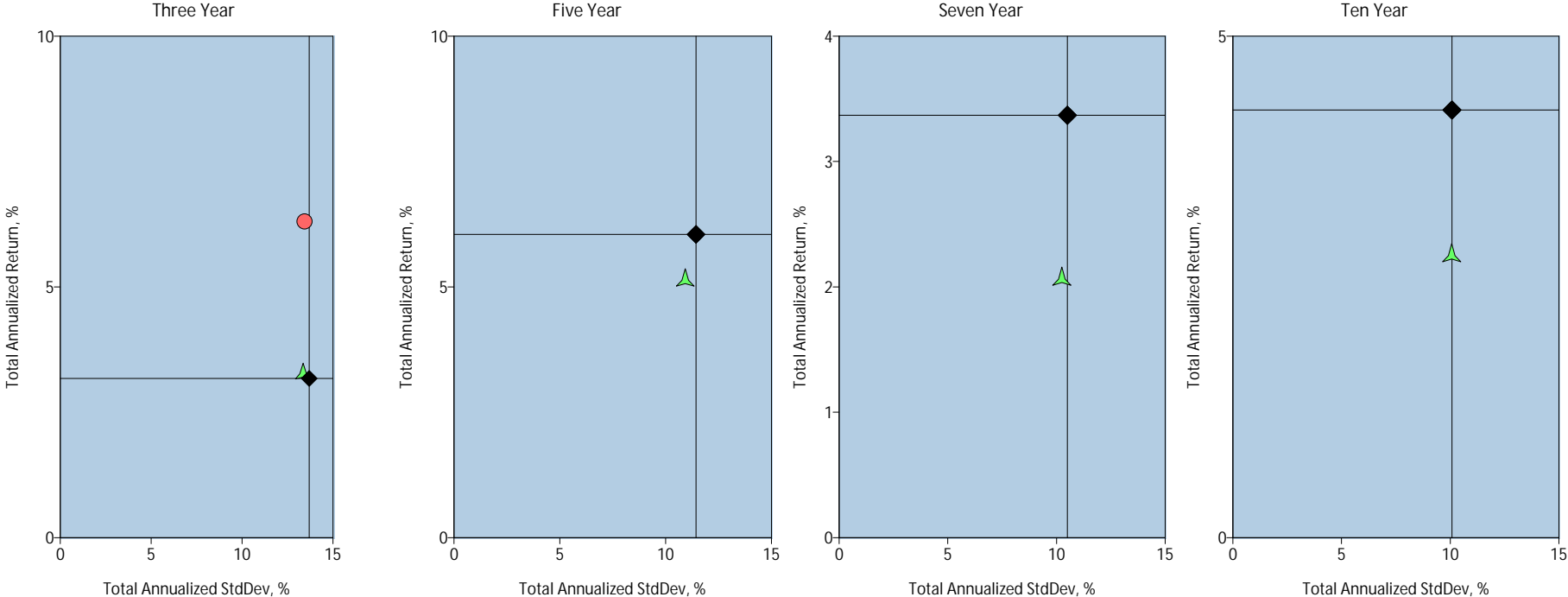
5 Years



□ Natural Resources
▲ Principal:Dvs RI As;Inst

● DWS RREEF Real Assets; Inst
◆ S&P Real Assets NR IX

RETURN VS. RISK

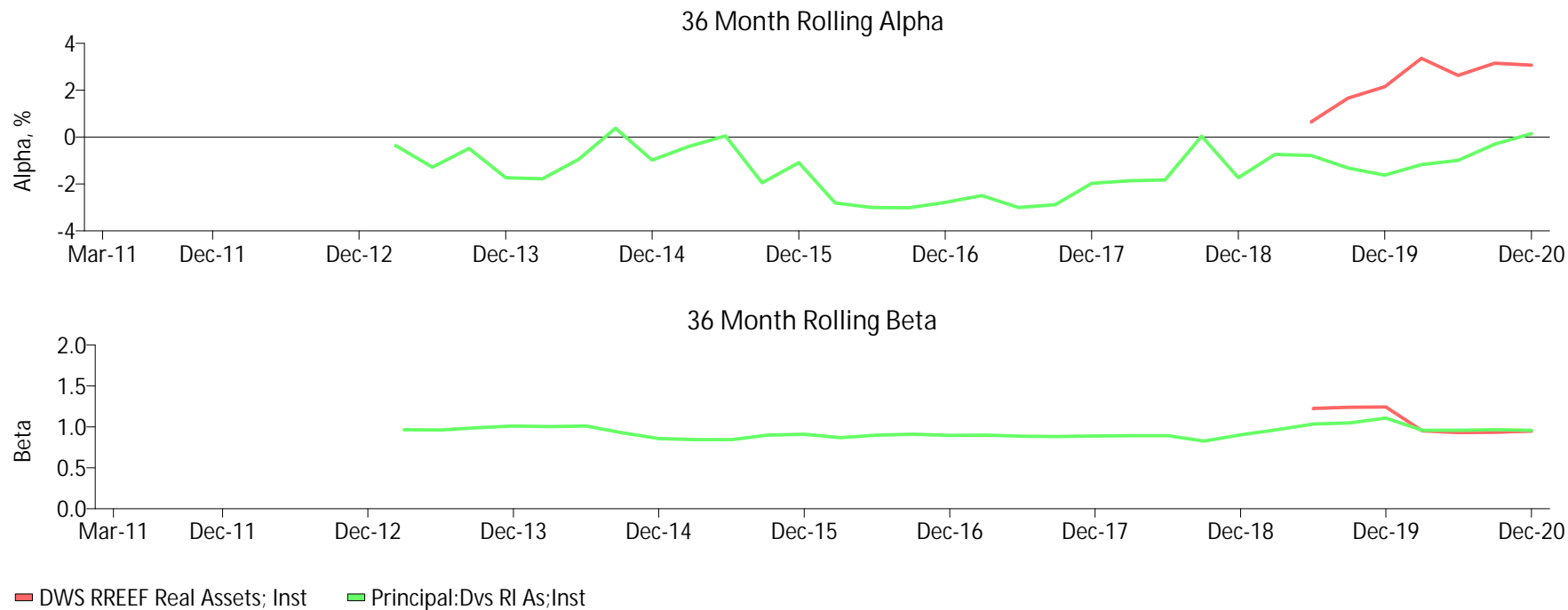


- DWS RREEF Real Assets; Inst
- ▲ Principal:Dvs RI As;Inst
- ◆ S&P Real Assets NR IX

	3 Years		5 Years		7 Years		10 Years	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
DWS RREEF Real Assets; Inst	6.31	13.43	NA	NA	NA	NA	NA	NA
Principal:Dvs RI As;Inst	3.27	13.36	5.13	10.92	2.06	10.25	2.81	10.06
S&P Real Assets NR IX	3.18	13.70	6.05	11.44	3.37	10.50	4.26	10.08

Data greater than one year is annualized.

PERFORMANCE STATISTICS

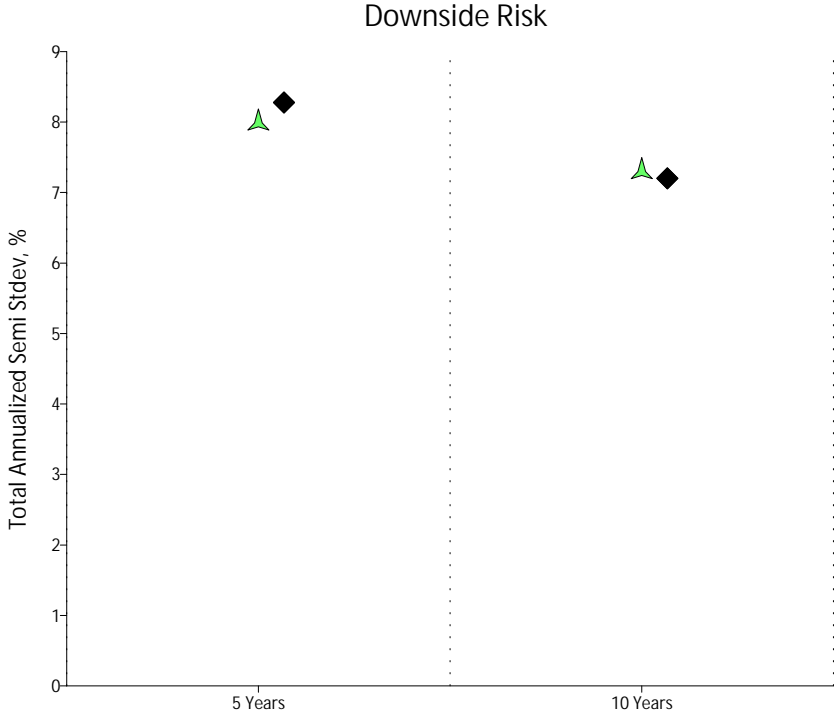
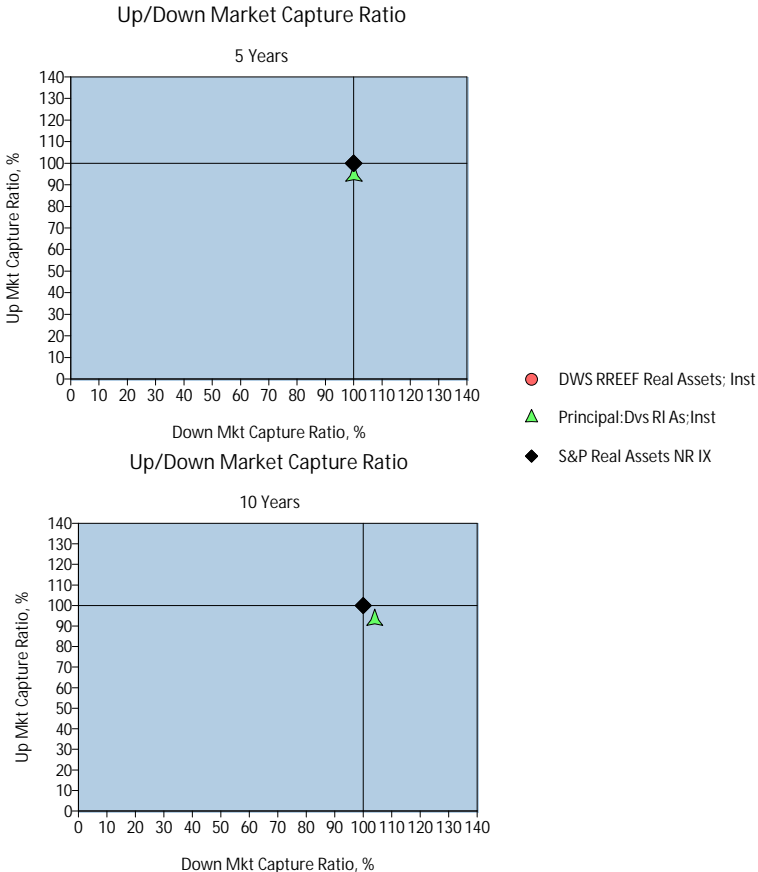


MPT STATISTICS

	5 Year					
	Alpha, %	Beta	R-Squared, %	Sharpe Ratio	Tracking Error, %	Batting Average
DWS RREEF Real Assets; Inst	NA	NA	NA	NA	NA	NA
Principal:Dvs RI As;Inst	-0.56	0.93	94.64	0.40	2.68	0.50
S&P Real Assets NR IX	0.00	1.00	100.00	0.47	0.00	0.00

	10 Year					
	Alpha, %	Beta	R-Squared, %	Sharpe Ratio	Tracking Error, %	Batting Average
DWS RREEF Real Assets; Inst	NA	NA	NA	NA	NA	NA
Principal:Dvs RI As;Inst	-1.24	0.96	92.26	0.26	2.84	0.47
S&P Real Assets NR IX	0.00	1.00	100.00	0.40	0.00	0.00

MARKET CAPTURE STATISTICS



	5 Years			10 Years		
	Up Mkt Capture Ratio, %	Down Mkt Capture Ratio, %	Annualized Semi Stdev to date, %	Up Mkt Capture Ratio, %	Down Mkt Capture Ratio, %	Annualized Semi Stdev to date, %
DWS RREEF Real Assets; Inst	NA	NA	NA	NA	NA	NA
Principal:Dvs RI As;Inst	94.12	100.11	7.99	92.97	104.08	7.30

REPORT GLOSSARY

Alpha - Alpha measures the difference between an investment's actual performance, and its expected performance as indicated by its market sensitivity (Beta). A positive Alpha indicates the risk-adjusted performance is above that index.

Batting Average - This measures the frequency with which a manager performs better than a selected benchmark. It is computed by dividing the number of positive excess returns by the total number of excess returns during the period.

Beta - Beta is defined as a Manager's sensitivity to market movements and is used to evaluate market related, or systematic risk. Beta is a measure of the linear relationship, over time, of the Manager's returns and those of the Benchmark. Beta is computed by regressing the Manager's excess returns over the risk free rate (cash proxy) against the excess returns of the Benchmark over the risk free rate. An investment that is as equally volatile as the market will have a Beta of 1.0; an investment half as volatile as the market will have a Beta of 0.5; and so on. Thus, Betas higher than 1.0 indicate that the fund is more volatile than the market.

Down Market (Mkt) Capture Ratio - Down Market Capture Ratio is a measure of an investment's performance in down markets relative to the market itself. A down market is one in which the market's return is less than zero. The lower the investment's Down Market Capture Ratio, the better the investment protected capital during a market decline. A negative Down Market Capture Ratio indicates that an investment's returns rose while the market declined.

Downside Risk (Semi Standard Deviation, Semi StdDev, or Downside Deviation) - Downside Risk only identifies volatility on the down side. Downside Risk measures the variability of returns below zero, whereas Standard Deviation attributes volatility in either direction to risk. The Downside Risk method calculates the deviations below zero for each observed return. Each time a return falls below zero, the sum is divided by the number of observations and the square root is taken. This result is then shown on an annualized basis.

Excess - Denotes that a statistic is being measured relative to the Market Index selected.

R-Squared (R^2) - This statistic indicates the degree to which the observed values of one variable, such as the returns of a managed portfolio, can be explained by, or are associated with the values of another variable, such as a Market Index. The R^2 values generally range from 0.0 to 1.0. An investment with an R^2 of 1.0 is perfectly correlated with the market. An R^2 of 0.95, for example, implies that 95% of the fluctuations in a portfolio are explained by fluctuations in the market.

Sharpe Ratio - The Sharpe Ratio indicates the excess return per unit of total risk as measured by Standard Deviation. It is a ratio of excess returns over the risk free rate to the Standard Deviation. The Sharpe Ratio is a measure of the premium earned for the risk incurred by the portfolio.

Standard Deviation (StdDev) - A measure of the extent to which observations in a series vary from the arithmetic mean of the series. The Standard Deviation of a series of asset returns is a measure of volatility, or risk, of the asset. The more volatile the returns, the higher the standard deviation will be.

Style Map - Plots the historical exposures of a fund's style across appropriate dimensions, such as growth vs. value for equity funds. By viewing this chart, an investor can determine a manager's style consistency over time. Returns based style analysis is used.

Tracking Error - Tracking Error is a measure of how closely an investment's returns track the returns of the selected Market Index. It is the annualized Standard Deviation of the differences between the investment's and the associated index's returns. If an investment tracks its associated index closely, then Tracking Error will be low. If an investment tracks its associated index perfectly, then Tracking Error will be zero.

Up Market (Mkt) Capture Ratio - Up Market Capture Ratio is a measure of a product's performance in up markets relative to the market itself. An up market is one in which the market's return is greater than or equal to zero. The higher the investment's Up Market Capture Ratio, the better the investment capitalized on a rising market.



DIMEO SCHNEIDER
& ASSOCIATES, L.L.C.

APPENDIX

BrandywineGLOBAL - GLOBAL OPPORTUNITIES BOND FUND

Investment overview

An actively managed, global fixed income strategy that seeks to maximize total return through strategic investment in countries, currencies, and sectors

Employs a top-down, value-oriented, and macro-driven investment approach to find the most attractive combination of high real yields, undervalued currencies, and improving fundamentals across global fixed income markets

Invests in sovereign debt and currencies, including emerging markets, and will also make opportunistic allocations to corporate or securitized credit when valuations are favorable

Morningstar Rating™

Overall Rating as of December 31, 2020



As of 12/31/20, Class IS and C shares rated 5 and 3 stars, respectively, among 180 World Bond funds, based upon risk-adjusted returns derived from a weighted average of the performance figures associated with 3-, 5- and 10-year (if applicable) Morningstar Ratings metrics.†

Average annual total returns & fund expenses[^] (%) as of Dec. 31, 2020

	Without sales charges					With maximum sales charges					Expenses		30-day SEC yield	Inception date
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net		
Class A	12.17	4.96	6.31	4.30	5.04	7.44	3.45	5.39	3.85	4.63	1.00	1.00	1.88	03/10/10
Class A2	12.14	4.82	6.19	–	2.97	7.40	3.32	5.27	–	2.42	1.11	1.11	1.72	10/31/12
Class C	11.46	4.19	5.56	–	2.64	10.46	4.19	5.56	–	2.64	1.73	1.73	1.37	08/01/12
Class FI	12.23	4.97	6.32	4.23	6.79	12.23	4.97	6.32	4.23	6.79	0.98	0.98	2.05	02/26/09
Class I	12.52	5.27	6.65	4.59	6.89	12.52	5.27	6.65	4.59	6.89	0.68	0.68	2.33	03/19/09
Class IS	12.66	5.38	6.75	4.68	5.62	12.66	5.38	6.75	4.68	5.62	0.58	0.58	2.44	11/01/06
Class R	11.89	4.66	6.03	–	3.61	11.89	4.66	6.03	–	3.61	1.29	1.25	1.71	09/30/11
Benchmark	10.11	4.96	4.78	2.32	–	10.11	4.96	4.78	2.32	–				

Cumulative total returns (%) as of Dec. 31, 2020 (without sales charges)

	3 Mo	YTD	2020	2019	2018	2017	2016	2015	2014	2013	2012
Class A	10.23	12.17	12.17	8.82	-5.28	12.34	4.57	-8.78	5.83	-4.22	12.90
Class A2	10.27	12.14	12.14	8.67	-5.48	12.23	4.47	-9.03	5.66	-4.32	–
Class C	10.20	11.46	11.46	7.94	-5.98	11.52	3.89	-9.58	5.05	-4.90	–
Class FI	10.27	12.23	12.23	8.74	-5.22	12.28	4.62	-8.94	5.85	-4.24	12.73
Class I	10.37	12.52	12.52	9.14	-4.99	12.72	4.91	-8.63	6.13	-4.05	13.16
Class IS	10.45	12.66	12.66	9.21	-4.90	12.83	5.02	-8.50	6.26	-3.92	13.22
Class R	10.22	11.89	11.89	8.47	-5.55	12.02	4.38	-9.14	5.54	-4.48	12.42
Benchmark	2.77	10.11	10.11	5.90	-0.84	7.49	1.60	-3.57	-0.48	-4.00	1.65

Performance shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so shares, when redeemed, may be worth more or less than the original cost. Performance for other share classes will vary due to differences in sales charge structure and class expenses. Class A and A2 shares have a maximum front-end sales charge of 4.25%. Class C shares have a one-year contingent deferred sales charge (CDSC) of 1.00%. Total returns assume the reinvestment of all distributions at net asset value and the deduction of all Fund expenses. Total return figures are based on the NAV per share applied to shareholder subscriptions and redemptions, which may differ from the NAV per share disclosed in Fund shareholder reports. Performance would have been lower if fees had not been waived in various periods. Absent reimbursements and/or fee waivers, the Fund's 30-day SEC yield for Class A, A2, C, FI, I, IS and R, respectively, would have been: 1.88%, 1.72%, 1.37%, 2.05%, 2.33%, 2.44% and 1.71%. YTD is calculated from January 1 of the reporting year. All classes of shares may not be available to all investors or through all distribution channels. For the most recent month-end information, please visit www.leggmasonfunds.com.

Asset allocation (%) as of Dec. 31, 2020

Government Sovereign	55.6	Government Regional	
Corporate Bond	32.0	Agencies	2.5
Cash	3.4	Mortgage Backed Securities	1.8
Government Owned - No Guarantee	3.3	Currency Forwards	1.4
		Bond Futures	0.1

Credit quality allocation (%) as of Dec. 31, 2020

AAA	25.9	BB	16.0
AA	5.2	B	0.3
A	13.2	Cash	3.5
BBB	36.0		

Share class codes

	Symbol	CUSIP		Symbol	CUSIP
A	GOBAX	524686383	FI	GOBFX	524686326
A2	LOBAX	52471E308	I	GOBIX	524686334
C	LGOCX	524686144	IS	GOBSX	524686318
C1	GOBCX	524686375	R	LBORX	524686367

Benchmark (BM)

FTSE World Government Bond Index (USD)

Fund facts as of Dec. 31, 2020

Dividend frequency, if any	Qrtly
Morningstar category	World Bond
Lipper category	Global Income Funds
Turnover (fiscal yr)	103%

Statistics as of Dec. 31, 2020

Net assets	\$2.3B
Average maturity	11.1 yrs
Effective duration	3.4 yrs
Number of issues	89

Duration (years) as of Dec. 31, 2020

10+ Years	27.6
5-10 Years	16.8
1-5 Years	10.8
0-1 Years	44.7

[^]Gross expenses are the Fund's total annual operating expenses for the share class(es) shown. Net expenses for Class(es) A, A2, C, FI, I, IS & R reflect contractual fee waivers and/or reimbursements, where these reductions reduce the Fund's gross expenses, which cannot be terminated prior to Dec 31, 2021 without Board consent.

Percentages are based on total portfolio as of quarter-end and are subject to change at any time. For informational purposes only and not to be considered a recommendation to purchase or sell any security.

BrandywineGLOBAL - GLOBAL OPPORTUNITIES BOND FUND

Top currencies (%) as of Dec. 31, 2020

	Fund	BM		Fund	BM
US Dollar	19.5	35.2	Indonesian		
British Pound	14.1	5.6	Rupiah	3.7	0.0
Mexican Peso	12.6	0.7	Hungarian Forint	3.6	0.0
South Korean Won	5.8	0.0	Norwegian Krone	3.1	0.2
Brazilian Real	5.2	0.0	Australian Dollar	3.0	2.3
Colombian Peso	5.0	0.0	Canadian Dollar	3.0	1.6
Chilean Peso	5.0	0.0	Polish Zloty	2.9	0.5
Russian Ruble	4.2	0.0	Indian Rupee	1.4	0.0
Malaysian Ringgit	3.9	0.4	South African Rand	0.4	0.0
Czech Koruna	3.8	0.0			

Top countries (%) as of Dec. 31, 2020

	Fund	BM		Fund	BM
United States	46.7	35.2	Germany	1.6	6.4
Mexico	13.1	0.7	Currency Forwards	1.4	0.0
Australia	6.5	2.3	France	0.6	8.8
Canada	5.3	1.6	Russia	0.6	0.0
Colombia	4.4	0.0	Saudi Arabia	0.5	0.0
Brazil	4.4	0.0	Spain	0.3	5.0
Malaysia	3.9	0.4	Cash & Cash Equivalents	3.4	0.0
South Africa	3.7	0.0			
Indonesia	3.7	0.0			

Bonds and Currency Weights (%) as of Dec. 31, 2020

Region	Bonds	Currency	Benchmark
Asia Pacific ex-Japan	14.0	17.7	3.0
Europe Ex-Eurozone	0.6	31.6	7.1
Eurozone	2.5	–	34.5
Japan	–	–	17.4
Middle East & Africa	4.2	0.4	0.4
North & Central America	68.4	35.1	37.6
South America	8.8	15.2	–
Other	1.5	–	–

Where can I find more information?

You'll find the most current performance data, commentary, prospectus and more information on each of our managers and products at www.leggmasonfunds.com.

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

[†] The Morningstar Rating™ for funds, or “star rating”, is as of December 31, 2020 and is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history, and subject to change monthly. Current monthly ratings can be found at leggmason.com. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total return, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total return. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effects of sales charges and loads. Class IS and C shares of the Fund were rated against 180, 169, and 115 World Bond funds over the 3-, 5- and 10-year periods, respectively. With respect to these funds, Class IS and C shares of the Fund received Morningstar Ratings of 3, 5, and 5; 3, 3, and n/a stars for the 3-, 5- and 10-year periods, respectively. Ratings shown are for the highest and lowest rated share classes only, when available. Morningstar Rating is for the specified share class(es) only; other classes may have different performance characteristics. A 4- or 5-star rating does not necessarily imply that a fund achieved positive results for the period.

Credit quality is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by Standard and Poor's, Moody's Investors Service and/or Fitch Ratings, Ltd. and typically range from AAA (highest) to D (lowest), or an equivalent and/or similar rating. For this purpose, Brandywine Global Investment Management assigns each security the middle rating from these three agencies. When only two agencies provide ratings, the lower of the two ratings will be assigned. When only one agency assigns a rating, that rating will be used. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the Funds portfolio does not apply to the stability or safety of the Fund. These ratings are updated monthly and may change over time. **Please note, the Fund itself has not been rated by an independent rating agency.**

Turnover is a measure of the Fund's trading activity which represents the portion of the Fund's holdings that has changed over a year. There is no assurance that the Fund will maintain its current level of turnover.

Effective Duration is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. **Duration** measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes.

The **30-day SEC yield**, calculated pursuant to the standard SEC formula, is based on a Fund's investments over an annualized trailing 30-day period and not on the distributions paid by the Fund, which may differ.

The **FTSE World Government Bond Index (“WGBI”)** measures the performance of fixed-rate, local currency, investment grade sovereign bonds. The WGBI currently comprises sovereign debt from multiple countries, denominated in a variety of currencies. The WGBI provides a broad benchmark for the global sovereign fixed income market. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

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Before investing, carefully consider a Fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, which is available at www.leggmasonfunds.com. Please read it carefully.

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Portfolio management

David F. Hoffman, CFA (industry since 1975), John P. McIntyre, CFA (industry since 1981), Anujeet Sareen, CFA (industry since 1994), Brian Kloss, JD, CPA (industry since 1995), and Tracy Chen, CFA (industry since 1997) co-manage your Fund.

Acting with conviction and discipline, Brandywine Global looks beyond short-term, conventional thinking to rigorously pursue long-term value. The firm values intellectual curiosity, respects diverse viewpoints, and invites candid discussion to make better investment decisions. Since 1986, Brandywine Global has provided a range of differentiated institutional and retail fixed income, equity, and alternative solutions from offices in the U.S., Europe, and Asia.

What should I know before investing?

Fixed-income securities involve interest rate, credit, inflation, and reinvestment risks; and possible loss of principal. As interest rates rise, the value of fixed-income securities falls. Asset-backed, mortgage-backed or mortgage-related securities are subject to prepayment and extension risks. High yield bonds are subject to greater price volatility, illiquidity, and possibility of default. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. Derivatives, such as options and futures, can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. As a non-diversified Fund, it is permitted to invest a higher percentage of its assets in any one issuer than a diversified fund, which may magnify the Fund's losses from events affecting a particular issuer. Leverage may increase volatility and possibility of loss. Active management does not ensure gains or protect against market declines.

Effective April 15, 2019, Class C shares became eligible for conversion to Class A shares, after the shares have been held for 10 years. Class C share performance shown has not been adjusted to reflect the conversion. Customers of certain Service Agents may be subject to different terms or conditions as set by their Service Agent, including non-conversion. Please refer to the Prospectus for more information, or contact your Service Agent directly.



FRANKLIN
TEMPLETON

PGIM GLOBAL TOTAL RETURN FUND

A: GTRAX C: PCTRX Z: PZTRX R2: PGTOX R4: PGTSX R6: PGTQX



Class A, Z, and R6

Overall Morningstar Rating™ out of 180 World Bond funds, as of 12/31/2020.

Morningstar measures risk-adjusted returns. The overall rating is a weighted average based on the Fund's 3-, 5-, and 10-year star rating.†



REFINITIV LIPPER FUND AWARDS

2020 WINNER UNITED STATES

#1 Global Income Fund

3-yr, Class R6 out of 171 funds; 5-yr, Class Z out of 161 funds for the period ended 11/30/2019.

"[The Fund] boasts a methodical approach, a strong risk framework, and impressive resources."

"...an excellent long-term record across standard trailing return periods of three years or longer"

Analyst Review, Morningstar, Inc., 5/13/2020

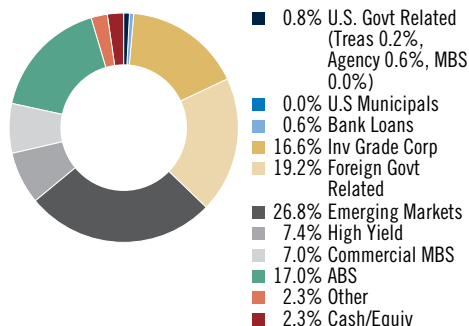
The views expressed in this material are for the period indicated and are subject to change thereafter.

STYLE

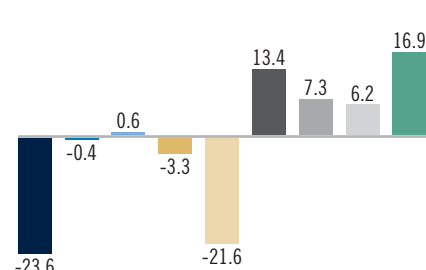
Global Bond

Seeks total return of current income and capital appreciation through a diversified portfolio of U.S. and non-U.S. fixed income securities. The Fund may be appropriate for those seeking to add global diversification for a domestic portfolio.

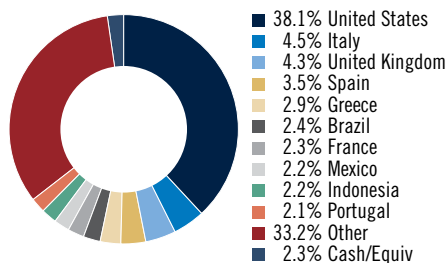
SECTOR BREAKDOWN (% OF ASSETS)



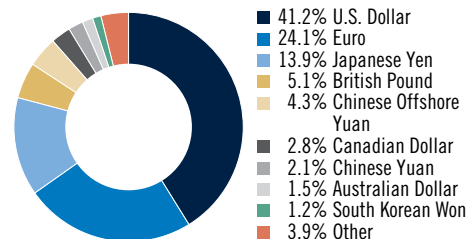
SECTOR VS BENCHMARK (%)



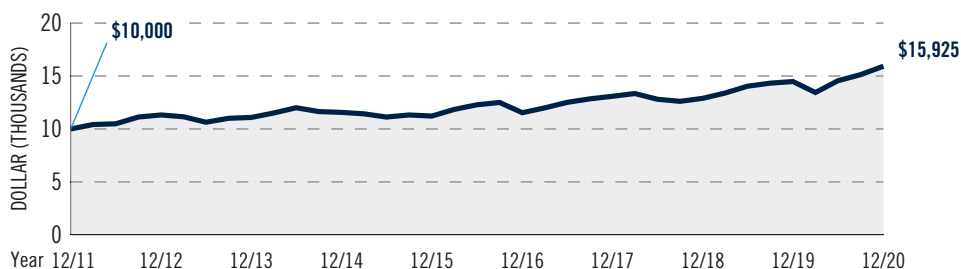
COUNTRY CONCENTRATION (% OF ASSETS)



CURRENCY CONCENTRATION (% OF ASSETS)



GROWTH OF \$10,000 (CLASS Z)



CALENDAR YEAR PERFORMANCE (CYP) REPRESENTS A FULL YEAR'S PERFORMANCE (%) (CLASS Z)

YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund	4.58	13.22	-2.06	4.29	-2.99	2.83	13.44	-1.49	12.31	9.99
Bloomberg Barclays Global Aggregate Bond Index†										
Benchmark†	5.64	4.32	-2.60	0.59	-3.15	2.09	7.40	-1.20	6.84	9.20

Past performance does not guarantee future results. Graph and CYP do not include the effects of sales charges and reflect reinvestment of all distributions. If sales charges were included, returns would have been lower. Holdings/allocations may vary. Total number of holdings based on issuers. Largest holdings excludes cash, cash equivalents, money market funds and enhanced cash strategies. Totals may not sum due to rounding. Negative holdings may reflect outstanding trades at period end and/or the use of certain financial instruments including derivatives. This is not a recommendation to buy or sell any security listed.

The Fund may invest in **foreign securities**, which are subject to currency fluctuation and political uncertainty; **high yield ("junk") bonds** (up to 35%), which are subject to greater credit and market risks; **asset-backed securities** (up to 35%), which are subject to greater credit risks; **mortgage-related securities**, which are subject to prepayment risks; **short sales**, which involve costs and the risk of potentially unlimited losses; **leveraging techniques**, which may magnify losses; **derivative securities**, which may carry market, credit, and liquidity risks; and **certain economic sectors**, thereby increasing its vulnerability to a single economic, political, or regulatory development. Fixed income investments are subject to **interest rate risk**, and their value will decline as interest rates rise. **Diversification** does not assure a profit or protect against loss in declining markets. These risks may increase the Fund's share price volatility. There is no guarantee the Fund's objective will be achieved.

pgiminvestments.com (800) 225-1852

AVERAGE ANNUAL TOTAL RETURNS % (Without Sales Charges)

Class	Inception							Date
	3-month	YTD	1-year	3-year	5-year	10-year	SI	
A	5.04	9.76	9.76	6.47	6.99	4.96	6.94	07/07/1986
Z	5.23	9.99	9.99	6.76	7.26	5.23	5.50	03/17/1997
R6	5.08	10.05	10.05	6.76	7.26	—	4.92	02/03/2012

SEC Standardized Returns (With Sales Charges)

A	—	—	6.19	5.31	6.29	4.61	6.84	07/07/1986
Z	—	—	9.99	6.76	7.26	5.23	5.50	03/17/1997
R6	—	—	10.05	6.76	7.26	—	4.92	02/03/2012

Bloomberg Barclays Global Aggregate Bond Index[†]

	3.28	9.20	9.20	4.85	4.79	2.83	4.76	03/31/1997
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Past performance does not guarantee future results, and current performance may be lower or higher than the past performance data quoted. The investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than the original cost. Maximum sales charges: Class A, 3.25%. Other share classes may be available. For the most recent month-end performance and complete information about performance, charges and expenses, visit our website at pgiminvestments.com.

Source: Benchmarks and statistics, Lipper Inc. All other data from PGIM, Inc. (PGIM). Total return describes the return to the investor after net operating expenses but before any sales charges are imposed. SEC standardized return describes the return to the investor after net operating expenses and maximum sales charges are imposed. All returns assume share price changes as well as the compounding effect of reinvested dividends and capital gains. Returns may reflect fee waivers and/or expense reimbursements. Without such, returns would be lower. All returns 1-year or less are cumulative. Class R2 shares and Class R4 shares are only offered for sale to group retirement plans available through a retirement recordkeeper or third party administrator. Class R6 and Z shares may be available to group retirement plans and institutional investors through certain retirement, mutual fund wrap and asset allocation programs. They may also be available to institutional investors. Class Z shares may be available through fee- or commission-based retail brokerage programs of certain financial intermediaries. Class A, C, and Z shares are generally closed to new retirement plans. Please see the prospectus for additional information about fees, expenses, and investor eligibility. All data is unaudited and subject to change.

[†]Bloomberg Barclays Global Aggregate Bond Index is an unmanaged index of global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities. An investment cannot be made directly in an index.

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Enhanced cash strategies are variations on traditional money market vehicles. They are designed to provide liquidity and principal preservation, but with more of an emphasis on seeking returns that are superior to those of traditional money market offerings. Credit quality is calculated using the highest rating assigned by a nationally recognized statistical rating organization (NRSRO) such as Moody's, S&P, or Fitch. The Not Rated category consists of securities that have not been rated by an NRSRO. Average Maturity is the average time to maturity for a bond. Duration measures investment risk that takes into account both a bond's interest payments and its value to maturity. Standard deviation depicts how widely returns vary around its average and is used to understand the range of returns most likely for a given fund. A higher standard deviation generally implies greater volatility. Due to data availability, statistics may not be as of the current reporting period.

[‡]Source: Morningstar. The Morningstar Rating may be calculated based on its share class adjusted historical returns. If so, this investment's independent Morningstar Rating metric uses the fund's oldest share class to determine its hypothetical rating for certain time periods. The Fund's Overall, 3-, 5-, and 10-year Star Ratings/Funds in Category are as follows: Class A - 5/180, 5/180, 5/169 and 5/115; Class Z - 5/180, 5/180, 5/169 and 5/115; Class R6 - 5/180, 5/180, 5/169 and 5/115, respectively.

The Morningstar Rating for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

¹The Morningstar Analyst Rating™ (5/13/20) is not a credit or risk rating. It is a subjective evaluation performed by Morningstar's manager research group, which consists of various Morningstar, Inc. subsidiaries ("Manager Research Group"). In the United States, that subsidiary is Morningstar Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange Commission. The Manager Research Group evaluates funds based on five key pillars, which are process, performance, people, parent, and price. The Manager Research Group uses this five pillar evaluation to determine how they believe funds are likely to perform relative to a benchmark, or in the case of exchange-traded funds and index mutual funds, a relevant peer group, over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weight of each pillar may vary. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, and Negative. A Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the Manager Research Group's conviction in a fund's prospects for outperformance. Analyst Ratings ultimately reflect the Manager Research Group's overall assessment, are overseen by an Analyst Rating Committee, and are continuously monitored and reevaluated at least every 14 months. Morningstar Analyst Ratings: Class A/Bronze. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to global.morningstar.com/managerdisclosures/. The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause Analyst expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.

SEC 30-DAY YIELDS (%)

Class	Yields	
	Subsidized	Unsubsidized
A	1.17	1.14
Z	1.46	1.46
R6	1.56	1.56

EXPENSES (%)

Class	Expenses		Date ¹
	Gross	Net	
A	0.96	0.88	2/28/2022
Z	0.68	0.63	2/28/2022
R6	0.55	0.55	—

Expenses are as of the most recent prospectus.

¹The Date represents the contractual reduction date through which the net expense ratio is in effect.

For additional yields and dividends, visit our website at pgiminvestments.com. Yields change monthly.

FUND STATISTICS

Average Maturity (years)	7.4
Duration (years)	9.3
U.S. ²	3.2
Non-U.S. ²	6.1
Standard Deviation (3-year)	7.82
Total Fund Assets (\$mil)	5,009

²Represents duration contribution by currency.

PORTFOLIO MANAGEMENT as of 9/30/2020

Subadvisor: PGIM Fixed Income

- Managing assets since 1875
- 125 Portfolio Managers
- 129 Credit Research Analysts
- 69 Quantitative & Risk Analysts

FUND PORTFOLIO MANAGERS

Robert Tipp, CFA Michael Collins, CFA
Matthew Angelucci, CFA

FUND PORTFOLIO STRATEGISTS

Brian LoDestro, CFA Michael Tagliaferro, CFA
Clark Biggers, CFA Scott Sweitzer
James Meyers, CFA

The Refinitiv Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. Lipper Leaders fund ratings do not constitute and are not intended to constitute investment advice or an offer to sell or the solicitation of an offer to buy any security of any entity in any jurisdiction. For more information, see lipperfundawards.com. From Lipper Fund Awards from Refinitiv, ©2021 Refinitiv. All rights reserved. Used under license.

Lipper Rankings Class R6 for the 1- and 5-year periods were: 10 out of 209, and 7 out of 161 funds, respectively. Lipper Rankings Class Z for the 1-, 3- and 10-year periods were: 12 out of 209, 2 out of 171 and 7 out of 93 funds, respectively. Lipper Funds category rankings are based on total return, do not take sales charges into account, and are calculated against all funds in each fund's respective Lipper category.

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Mutual funds are not insured by the FDIC or any federal government agency, may lose value, and are not a deposit of or guaranteed by any bank or any bank affiliate.

Consider a fund's investment objectives, risks, charges, and expenses carefully before investing. The prospectus and summary prospectus contain this and other information about the fund. Contact your financial professional for a prospectus and summary prospectus. Read them carefully before investing.

Share Class: A | AAAAX C | AAAPX S | AAASX INST | AAAZX R | AAAQX R6 | AAAVX



REFINITIV LIPPER FUND AWARDS

2020 WINNER
UNITED STATES

BEST FUND OVER 3 YEARS

(Class INST; of 17 funds;
based on risk-adjusted return)**

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Objective

The fund seeks total return in excess of inflation through capital growth and current income.

Strategy

The fund's investment process is based on the team's philosophy that macro-economic environments have historically driven top-down sector performance within the real asset universe while stock selection has been a key driver of returns within the asset classes. As such, the investment process combines top-down strategic and tactical allocations with fundamental bottom-up stock selection to create a holistic portfolio of real assets across real estate, infrastructure, natural resource equities, commodity futures and TIPS.

EXPENSE RATIO (as of latest prospectus)

Class	Net	Gross	Contractual Waiver
A	1.22%	1.36%	09/30/2021
C	1.97%	2.10%	09/30/2021
S	1.07%	1.17%	09/30/2021
INST	0.90%	1.07%	02/28/2022
R	1.47%	1.75%	09/30/2021
R6	0.90%	1.00%	02/28/2022

Without a waiver, returns would have been lower and any rankings/ratings might have been less favorable.

AVERAGE ANNUAL TOTAL RETURNS* (as of 12/31/20)

Share class	YTD	1-year	3-year	5-year	10-year	Since inception	Inception date
Share classes with no sales charge							
S	3.88%	3.88%	6.18%	7.45%	3.66%	3.30%	7/30/07
INST	3.90%	3.90%	6.31%	7.59%	3.79%	3.40%	7/30/07
R	3.33%	3.33%	5.76%	7.00%	3.24%	2.90%	6/1/11
R6	3.90%	3.90%	6.31%	7.59%	–	4.31%	11/28/14
Blended benchmark ¹	-3.67%	-3.67%	2.09%	5.87%	3.72%	–	–
MSCI World Index ²	15.90%	15.90%	10.54%	12.19%	9.87%	–	–

Unadjusted for sales charge (would be lower if adjusted)

A	3.70%	3.70%	6.02%	7.28%	3.47%	3.13%	7/30/07
C	2.94%	2.94%	5.26%	6.48%	2.71%	2.34%	7/30/07

Adjusted for maximum sales charge

A (max 5.75% load)	-2.26%	-2.26%	3.95%	6.02%	2.86%	2.68%	7/30/07
C (max 1.00% CDSC)	2.94%	2.94%	5.26%	6.48%	2.71%	2.34%	7/30/07

HISTORICAL TOTAL RETURNS (as of 12/31/20)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
S	3.88%	21.54%	-5.17%	14.83%	4.20%	-9.66%	3.32%	0.91%	9.52%	-3.09%

Performance is historical and does not guarantee future results. Investment returns and principal fluctuate so your shares may be worth more or less when redeemed. Current performance may differ from the data shown. Please visit www.dws.com for the fund's most recent month-end performance. Performance includes reinvestment of all distributions. Index returns assume reinvestment of all distributions and do not reflect fees or expenses. It is not possible to invest directly in an index. Not all share classes are available to all investors. A minimum investment of \$1 million is required to open an account for Institutional shares.

* Class R performance prior to inception reflects that of Class A. Returns prior to inception reflect the original share class performance, adjusted for higher operating expenses and/or the maximum sales charge.

† If you're investing \$250,000 or more, you may be eligible to purchase Class A shares of this fund without a sales charge. However, redemptions within 12 months may be subject to sales charges. See the prospectus for details.

**Granted annually, the awards highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The Refinitiv Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Refinitiv Lipper Fund Award. For more information, see lipperfundawards.com. Although Refinitiv Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Refinitiv Lipper.

PORTFOLIO AND RISK STATISTICS³ (12/31/20)

Fund inception date	7/30/2007
Number of holdings	175
Total net assets	\$830 million
Beta ⁵	1.09
Standard deviation ⁵	13.48

PORTFOLIO MANAGEMENT/INDUSTRY EXPERIENCE

John W. Vojticek	25 years
Francis X. Greywitt III	21 years
Evan Rudy CFA	14 years

FUND INFORMATION

Class	Symbol	CUSIP
A	AAAAX	25159K879
C	AAAPX	25159K887
S	AAASX	25159K804
INST	AAAZX	25159K705
R	AAAQX	25159K200
R6	AAAVX	25159K713

FUND DETAILS (fund data as of 12/31/20)

Fund inception date	7/30/2007
Total net assets	\$830 million

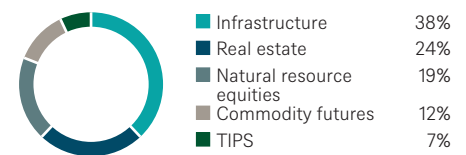
SECURITY TYPE (12/31/20)

Common stocks	64%
U.S. gov/agency	14%
Futures	11%
Mutual funds	9%
Cash equivalents	1%

TOP EQUITY HOLDINGS (12/31/20)

Cheniere Energy	3.2%
American Tower	2.9%
Crown Castle	2.7%
Freeport McMoRan Copper & Gold	2.0%
Williams	2.0%
SBA Communications	1.8%
Sempra Energy	1.8%
Link	1.7%
TC Energy	1.7%
Waste Connections	1.6%

Holdings-based data is subject to change.

SECTOR ALLOCATION (12/31/20)

¹ Portfolio management believes that the blended index reflects the different components of the fund's typical asset allocations. Blended Index: 30% Dow Jones Brookfield Global Infrastructure Index measures the stock performance of companies that exhibit strong infrastructure characteristics. Index components are required to have more than 70% of cash flows derived from infrastructure lines of business. The index intends to measure all sectors of the infrastructure market (as of 12/31/20; -6.97% for the 1-yr, 3.32% for the 3-yr, 7.52% for the 5-yr, 8.15% for the 10-yr); 30% FTSE EPRA/NAREIT Developed Index represents general trends in global real estate equities (as of 12/31/20; -9.04% for the 1-yr, 1.52% for the 3-yr, 3.74% for the 5-yr, 5.44% for the 10-yr); 15% Bloomberg Commodity Index is composed of a diversified group of commodities and futures contracts on physical commodities (as of 12/31/20; -3.12% for the 1-yr, -2.53% for the 3-yr, 1.03% for the 5-yr, -6.50% for the 10-yr); 15% S&P Global Natural Resources Index includes 90 of the largest publicly-traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure across 3 primary commodity-related sectors: agribusiness, energy and metals/mining (as of 12/31/20; -0.05% for the 1-yr, 0.38% for the 3-yr, 10.15% for the 5-yr, 0.04% for the 10-yr); 10% Bloomberg Barclays U.S. Treasury Inflation Notes Total Return Index includes all publicly-traded U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade and have \$250 million or more of outstanding face value (as of 12/31/20; 10.99% for the 1-yr, 5.92% for the 3-yr, 5.08% for the 5-yr, 3.81% for the 10-yr).

² The MSCI World Index tracks the performance of stocks in select developed markets around the world, including the United States.

³ Beta is a historical measurement of a fund's sensitivity to the movements of the fund's benchmark index. A fund with a beta greater than one is more volatile than the benchmark. A fund with a beta less than one is less volatile. Beta is based on a three-year period relative to the index. Standard deviation is a three-year statistical measure of the volatility of a fund's returns. Generally, the greater the standard deviation, the greater the fund's volatility. ⁵Source: Morningstar, Inc. as of 11/30/2020.

War, terrorism, economic uncertainty, trade disputes, public health crises (including the recent pandemic spread of the novel coronavirus) and related geopolitical events could lead to increased market volatility, disruption to U.S. and world economies and markets and may have significant adverse effects on the fund and its investments.

Fund risk: Stocks may decline in value. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Emerging markets tend to be more volatile and less liquid than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. There are special risks associated with an investment in real estate, including REITs. These risks include credit risk, interest rate fluctuations and the impact of varied economic conditions. Companies in the infrastructure, transportation, energy and utility industries may be affected by a variety of factors, including, but not limited to, high interest costs, energy prices, high degrees of leverage, environmental and other government regulations, the level of government spending on infrastructure projects, intense competition and other factors. The fund invests in commodity-linked derivatives which may subject the fund to special risks. Market price movements or regulatory and economic changes will have a significant impact on the fund's performance. Bond investments are subject to interest-rate, credit, liquidity and market risks to varying degrees. When interest rates rise, bond prices generally fall. Credit risk refers to the ability of an issuer to make timely payments of principal and interest. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. Any fund that focuses in a particular segment of the market or region of the world will generally be more volatile than a fund that invests more broadly. The fund may lend securities to approved institutions. Please read the prospectus for details.

Consider the investment objective, risks, charges and expenses carefully before investing. For a summary prospectus, or prospectus that contains this and other information, download one from www.dws.com or talk to your financial representative. Read the prospectus carefully before investing.

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Diversified Real Asset Inst Fund as of 12/31/2020

Investment Strategy

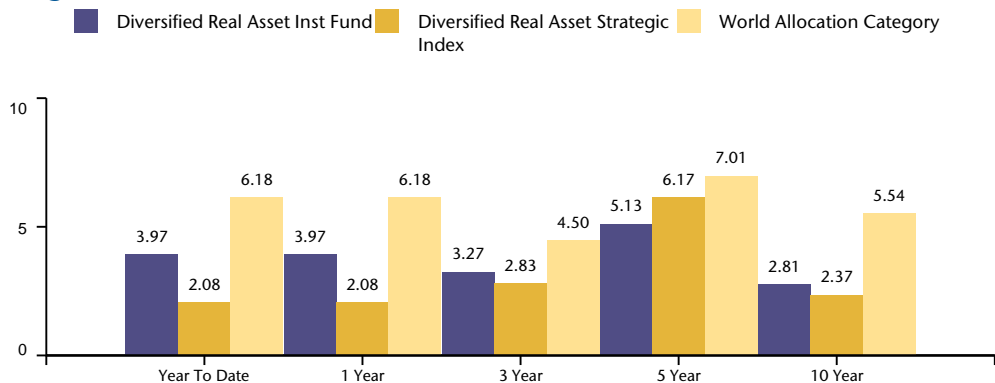
The investment seeks a long-term total return in excess of inflation. Under normal circumstances, the fund invests at least 80% of its net assets, plus any borrowings for investment purposes, in investments related to real assets and real asset companies. It allocates its assets among general investment categories related to real assets, which include tangible assets and investments that are expected to perform well in periods of rising or high inflation, such as the following: infrastructure, natural resources and timber, commodities, real estate, inflation-indexed bonds, and floating rate debt.



Portfolio managers

Kelly A. Grossman Since 03/16/2010. B.A., University of Northern Iowa
Benjamin E. Rotenberg, CFA, CAIA. Since 03/07/2014. B.A., Pomona College
Marcus W. Dummer, CAIA. Since 03/07/2014. M.B.A., University of Utah
Jessica S. Bush, CFA. Since 03/07/2014. B.A., University of Michigan

Long-term returns % as of 12/31/2020



Performance disclosure

Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For more performance information, including the most recent month-end performance, visit Rates & Values on principal.com, contact your representative of The Principal, or call our Participant Contact Center at 1-800-222-5852.

In situations where the net and gross total investment expense figures are different or where a contractual cap and/or waiver date is given, the mutual fund or the underlying fund in which a Separate Account invests has waived/capped a portion of its management fees through the date displayed in the waiver expiration date or contractual cap expiration date column. Differences may also be shown due to the fund family choosing to pay certain expenses that would normally be payable by the fund. Returns displayed are based on net total investment expense.

Long Term Returns	Year To Date	1 Year	3 Year	5 Year	10 Year
Total Return %	3.97	3.97	3.27	5.13	2.81
Diversified Real Asset Strategic Index %	2.08	2.08	2.83	6.17	2.37
World Allocation Category %	6.18	6.18	4.50	7.01	5.54
Morningstar Percentile Rankings	-	61	71	82	92
# of Funds in Category	472	472	402	350	208
Annual Returns	2020	2019	2018	2017	2016
Total Return %	3.97	15.01	-7.90	10.17	5.86
Diversified Real Asset Strategic Index %	2.08	14.86	-7.27	10.38	12.40
World Allocation Category %	6.18	16.10	-8.26	14.79	6.04
Morningstar Percentile Rankings	61	65	54	89	58
# of Funds in Category	472	459	453	438	485

Morningstar percentile rankings are based on total returns.

Morningstar category

World Allocation

Risk and Return Statistics

as of 12/31/2020 Relative to Diversified Real Asset Strategic Index

	3Yr	5Yr
Alpha	0.43	-1.01
Beta	1.05	1.01
R-Squared	98.39	95.26
Standard Deviation	13.36	10.92
Mean	3.27	5.13
Sharpe Ratio	0.19	0.41
Excess Return	0.44	-1.03
Tracking Error	1.81	2.39
Information Ratio	0.24	-0.43

Operations

Total Investment Expense Net	0.84%
Total Investment Expense Gross	0.94%
Contractual Cap Expiration Date	12/30/2021
Waiver Expiration Date	12/30/2021
Inception Date	03/16/2010
Total Net Assets (mil)	\$3,351.69
12b-1 Fees	-
Ticker	PDRDX



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Risk and return statistical data is calculated by Morningstar, Inc. Excess Return is calculated by Principal Life Insurance Company.

Portfolio information†

Composition as of 11/30/2020

Asset Distribution	Asset Type	Net %	Short %	Long %
	Non-U.S. Stocks	35.45	0.00	35.45
	U.S. Stocks	30.01	0.00	30.01
	U.S. Bonds	19.14	21.03	40.17
	Cash	12.51	11.03	23.53
	Non-U.S. Bonds	2.89	0.00	2.89

Top ten holdings

	% of net assets
1. Dracay Credit Suisse - 30	11.87
2. Principal Government Money Market Instl	1.68
3. Us 2Yr Note (Cbt) Mar21	1.20
4. United States Treasury Notes	0.86
5. United States Treasury Notes	0.77
6. United States Treasury Notes	0.75
7. Transurban Group	0.75
8. Tc Energy Corp	0.74
9. United States Treasury Notes	0.74
10. United States Treasury Notes	0.73
% of net assets in top ten holdings*	20.09

Analysis

# of Stock Hldgs	348
# of Bond Hldgs	520
# of Other Hldgs	270
AvgMktCap (mil)	\$14,089.21
Turnover Ratio	85%
P/C Ratio	7.78
P/B Ratio	1.63
P/E Ratio	18.13

Stock Sector Breakdown

	% of net assets		% of net assets		% of net assets
Cyclical	42.78	Defensive	27.07	Sensitive	30.14
Consumer Cyclical	3.41	Healthcare	0.00	Technology	0.26
Basic Materials	18.40	Consumer Defensive	2.44	Industrials	12.75
Financial Svcs	0.00	Utilities	24.63	Energy	16.87
Real Estate	20.97			Comm Svcs	0.26

Returns shown for periods of less than one year are not annualized. Annualized total returns measure net investment income and capital gain or loss from portfolio investments as an annualized average, assuming the reinvestment of dividends, and without adjusting for loads.

Insurance products and plan administrative services, if applicable, are provided by Principal Life Insurance Company. Principal mutual funds are part of the Principal Funds, Inc. series. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Securities are offered through Principal Securities, Inc., 800-222-5852, member SIPC, and/or independent broker/dealers. Securities sold by a Principal Securities Registered Representative are offered through Principal Securities. Principal Funds Distributor, Principal Securities and Principal Life are members of the Principal Financial Group®, Des Moines, IA 50392. Certain investment options may not be available in all states or U.S. commonwealths.

The full name of this investment option is Principal Diversified Real Asset Inst Fund.

Investors should carefully consider a mutual fund's investment objectives, risks, charges and expenses prior to investing. A prospectus, or summary prospectus if available, containing this and other information can be obtained by contacting a financial professional, visiting principal.com, or by calling 800-222-5852. Read the prospectus carefully before investing.

Diversified Real Asset Strategic Index is composed of 35% Bloomberg Barclays U.S. Treasury TIPS Index, 20% S&P Global Infrastructure Index, 20% S&P Global Natural Resources Index, 15% Bloomberg Commodity Index, and 10% FTSE EPRA/NAREIT Developed Markets Index.

Past performance is no guarantee of future results. Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect fees or expenses. Individuals cannot invest directly in an index.

Investment Options may charge a short-term trading or redemption fee to protect the interests of long-term Contractholders.

Alpha - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta). **Beta** - An investment's sensitivity to market movements. **R-squared** - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index. **Standard Deviation** - Measures how much an investment's returns are likely to fluctuate. **Mean** - Represents the annualized total return for a fund over 3 and 5 years. **Sharpe Ratio** - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance. **Excess Return** - The difference between a manager's return and the return of an external standard such as a passive index. **Tracking Error** - The standard deviation or volatility of excess returns. **Information Ratio** - A risk-adjusted measure commonly used to evaluate an active manager's involvement skill. It's defined as the manager's excess return divided by the variability or standard deviation of the excess return.

Average Market Cap - The overall "size" of a stock investment option's portfolio. It is the geometric mean of the market capitalization for all of the stocks it owns and is calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization.

Price/Cash Flow (projected) Ratio - The ratio of the company's most recent month-end share price to the company's estimated cash flow per share (CPS) for the current fiscal year. Cash flow measures the ability of a business to generate cash and it acts as a gauge of liquidity and solvency. Morningstar calculates internal estimates for the current year CPS based on the most recently reported CPS and average historical cash flow growth rates. Price/cash flow (projected) is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the cash flow yields (C/P) of all the stocks in the portfolio and then taking the reciprocal of the result.

Price/Projected Earnings Ratio - The ratio of the company's most recent month-end share price to the company's estimated earnings per share (EPS) for the current fiscal year. If a third-party estimate for the current year EPS is not available, Morningstar will calculate an internal estimate based on the most recently reported EPS and average historical earnings growth rates. Price/projected earnings is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the earnings yields (E/P) of all the stocks in the portfolio and then taking the reciprocal of the result.

Price/Book (projected) Ratio - The ratio of the company's most recent month-end share price to the company's estimated book value per share (BPS) for the current fiscal year. Book value is the total assets of a company, less total liabilities. Morningstar calculates internal estimates for the current year BPS based on the most recently reported BPS and average historical book value growth rates.

Total Investment Expense - Gross is the current maximum expense ratio, as a percentage of assets that can be applied to this investment option.

Total Investment Expense - Net; you will be responsible for this expense and it will be automatically taken prior to calculating performance. Total Investment Expense Net is the Total Investment Expense Gross expense ratio less any fee waivers, reimbursements or caps, if applicable. The expenses ratio, as a percentage of net assets, includes applicable operating expenses, management fees, including 12b-1 fees, and administrative fees.

† The Composition depicts a breakdown of the investment option's portfolio holdings, as of the date listed, into general investment classes. The x-axis represents the percentage each investment group holds, with the y-axis representing a zero value. Values to the right of the y-axis represent long security positions, while values to the left of the y-axis represent short security positions. The table to the right of the bar chart sums these two values to present the net emphasis of each investment group. Due to rounding, the total net position may not equal 100%. Long positions involve buying a security and selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. Portfolio holdings are subject to change and companies referenced in this report may not currently be held. Information is current as of the creation of this piece. Keep in mind that portfolio holdings are subject to risk. For a complete list of the most recent publicly available holdings visit principal.com.

Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise. Neither the principal of bond investment options nor their yields are guaranteed by the U.S. or any other government entity. Concentrating investments in natural resources industries can be affected significantly by events relating to those industries, such as variations in the commodities markets, weather, disease, embargoes, international, political and economic developments, the success of exploration projects, tax and other government regulations and other factors. Investment in derivatives entails specific risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. REIT securities are subject to risk factors associated with the real estate industry and tax factors of REIT registration. An MLP that invests in a particular industry (e.g., oil and gas) may be harmed by detrimental economic events within that industry. As partnerships, MLPs may be subject to less regulation (and less protection for investors) under state laws than corporations. In addition, MLPs may be subject to state taxation in certain jurisdictions, which may reduce the amount of income paid by an MLP to its investors.

The risks associated with derivative investments include that the underlying security, interest rate, market index, or other financial asset will not move in the direction the Investment Adviser and/or Sub-Advisor anticipated, the possibility that there may be no liquid secondary market, the risk that adverse price movements in an instrument can result in a loss substantially greater than a fund's initial investment, the possibility that the counterparty may fail to perform its obligations; and the inability to close out certain hedged positions to avoid adverse tax consequences.

* Values may exceed 100% if both long and short positions are included in the portfolio.

**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
WEDNESDAY, FEBRUARY 17, 2021**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a special meeting at 3:00 p.m. via dial-in conferencing.

Roll Call

Members

Mr. Constantine "Gus" Constantine, Chairman
Ms. Jennifer Sanford, Vice Chairman
Mr. James McIntosh
Mr. Walter Cusson
Mr. James Zeller
Mr. Robert Lynn

1. Public Comment Session - Comments pertaining to the call. *None*
2. Becky Sielman from Milliman to discuss July 1, 2020 Pension Valuation and other pension related topics.

Ms. Sielman explained that the actuarial value of assets is designed to smooth out the volatility of the markets. Glastonbury's assets are \$162 million, as of July 1, 2020. The plan earned a 5.7% return when the markets closed last June, which is quite strong, considering the pandemic. Mr. McIntosh pointed out that, assuming that the asset performance continues to go up until June 30, the Town will be even better off than they were during the last calculation. Ms. Sielman explained that they do not set the Interest Rate (also known as the rate of return) based on past performance, but on a 75-year time horizon for long-term reliability.

Ms. Sielman stated that 6.5% is the expected long term return on the entire non-hybrid portfolio and that the actuaries think that 6.5% is a very good number. She stated that the expected long-term return on the hybrid plan is 5%. She went on to explain that corporate pension plans would use an interest rate assumption that is based on current interest rates for high quality corporate bonds. A corporate pension plan might be looking at an interest rate assumption of 3, or 4, or 5%. However, this is a public pension plan so the interest rate assumption is based on the expected long term return on the plan's investments. Ms. Sanford stated that she believes that 6.0% to 6.25% is the appropriate range.

Ms. Sanford stated that there is a massive gap in the liabilities valuation, and the actuaries are still falling short in reconciling the current interest rate markets with the actuarial assumptions. Ms. Sielman explained that from 2012 to 2018, the assumed rate of return fell from 7.5% to 6.5%, and each time that number goes down, the accrued liability increases. Also included is the adoption of the new mortality tables last year. She stated that they can look at this like a mortgage: the gap between assets and liabilities will systematically close, and the plan should become 100% funded in the next 13 years.

Mr. Lynn stated that they should have had a lower interest rate assumption a decade ago so that citizens would not have to pay for this now. Ms. Sielman responded that the vast majority of her clients did not do that because it is the function of municipal budgets that things, generally, be taken in a more gradual function. Ms. Sanford remarked that 6.5% is also not an appropriate assumed rate of return. She believes that it needs to be lower, so that they are not on a cliff with a 70% unfunded liability. This action was put on hold for three years, but Ms. Sanford wants to bring the Board back to that discussion.

Ms. Sielman stated that if you reduce the rate of return assumption, but don't change the asset allocation of the plan, you'll have the same volatility you do now. The rate of return assumption is based on the asset allocation, not the other way around. She continued to state that you might want to do both at the same time, lower the investment risk to have more stability and reduce the rate of return assumption. Ms. Sielman explained that lower volatility will lead to a higher Town contribution.

Mr. McIntosh added that West Hartford's \$360 million unfunded pension liability did not trigger a reduction of their AAA credit rating. He then asked, equitably, who should pay for these past services: the taxpayers of the past or the future? Mr. McIntosh stated that it has been estimated that half the children born now will live to be 100 years old, which is a frightening statistic for those who are trying to fund the retirement of future generations.

Ms. Sielman stated that the Town may consider doing an Experience Study in the coming year, which would look at inflation rate, turnover patterns, retirement patterns of the Town and other assumptions used in the Plan.

The meeting was then adjourned, and discussion resumed in the regular meeting which followed at 4:00 p.m.

3. Chris Kachmar from DiMeo Schneider to discuss plan results and Governance calendar (including Asset Allocation). *N/A*
4. Potential for Presentation and Discussion Concerning Review of Bonding for CIP and Pension Funding Options. *N/A*
5. Potential for Any Unfinished Business: FY 2021/2022 Budget. *N/A*
6. Adjournment.

Motion by: Mr. McIntosh

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their special meeting of February 17, 2021, at 4:00 p.m.

Result: Motion passes unanimously {6-0-0}.

Respectfully submitted,

Lilly Torosyan

Lilly Torosyan
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.

Inst# 2021001525
Date filed 2/25/2021

**GLASTONBURY BOARD OF FINANCE
REGULAR MEETING MINUTES – AMENDED (see page 1)
WEDNESDAY, FEBRUARY 17, 2021**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a regular meeting at 4:00 p.m. via dial-in conferencing.

Roll Call

Members

Mr. Constantine “Gus” Constantine, Chairman
Ms. Jennifer Sanford, Vice Chairman
Mr. James McIntosh
Mr. Walter Cusson
Mr. James Zeller
Mr. Robert Lynn

1. Public Comment Session - Comments pertaining to the call. *None*
2. Communication: Continuation of discussion with Becky Sielman from Milliman

Ms. Sanford asked if an extra million dollars in the pension plan would impact the net cash flow. Ms. Sielman stated that an additional one million dollars does not move the needle appreciably, as it lowers the ADC contribution by about \$125,000. She stated that liquidity in this plan is not a top issue. Ms. Sanford asked about retirement risk modeling. Ms. Sielman stated that they do not routinely model that out. Ms. Sielman explained that adding \$2 million into the pension in a lump sum would reduce the ADC next year by about \$250,000. Mr. Zeller summarized that the immediate benefit of putting in cash now would save on the future ADC.

3. Communication: Continuation of discussion with Chris Kachmar from DiMeo Schneider

Mr. Kachmar reviewed the asset allocation analysis. He explained that they continue to be cautiously optimistic going forward on the markets. They are hopeful that the vaccination efforts will even out in the next year. He then reviewed the changes in expected return of the 20-year forecasts based on different asset allocations. In two scenarios, the model incorporated a bit of private equity, which the Board had previously asked him to consider. He explained that because the asset returns do not correlate that highly to some of the traditional classes, adding private equity decreases the modeled volatility while causing forecasted returns to increase. He then explained that doing a 10-year outlook would reduce the annualized return by about 1%. The current mix, as modeled in the 20-year outlook, models 6.0% assumed rate of return, absent any incremental return of active management. Page 31 shows active management return of 0.5% (8.0% versus 7.5% Benchmark) from August 2011 to December 2020. Mr. Kachmar stated that 50 basis points is a defensible number because you have the benefit of it actually being experienced, or you could assume some portion of that.

Ms. Sanford remarked that they do not have the luxury of using the 75-year outlook of the actuaries as they amortize their pension out for another 13 years. A 10-year frontier analysis is as valuable to include in those discussions. Mr. Lynn asked if it would make sense to go fully managed on their portfolio, if management would go 50 basis points better. Mr. Kachmar stated that the proposition for active management in fixed income may find more persistency in that incremental return net of fee and the Town has the portfolio constructed accordingly. Mr. Cusson stated that, because of the appreciation of the stock market, they are now overweight in equities and underweight in bonds, so he asked whether that is the right position for the Board to maintain. Mr. Kachmar replied that the managers are always working against that, so they are not wildly out of skew with the targets. He is comfortable with the Board's portfolio makeup. However, he noted that Templeton Global Bond continues to struggle and that he might consider looking at diversified real asset strategies, so he would like to return to the Board with some thoughts these topics. The Board agreed that Mr. Kachmar will return in March to discuss these topics in depth. Mr. Kachmar concluded by noting that there were previous questions from the Board on accessing information on the non-mutual fund strategies, which he included in his packet.

4. Communication: Presentation of Grand List Report by Assessor Nicole Lintereur

Ms. Lintereur stated that the taxable value on the grand list increased by 0.93% over the previous list. The growth in sales and the average sale value on the residential side both increased. The personal property sector increased by 2.1%. As new commercial projects come online, they anticipate a return to typical growth rates in the personal property segment. The 2.56% increase in the motor vehicle list was strong considering that there were almost 1200 fewer accounts than last year. They expect the 2020 supplemental list will make up the deficit. There are fewer people buying and registering new cars, due to COVID-19-related closures. Mr. Zeller asked when the next assessment will be. Ms. Lintereur stated two grand lists from now, in 2022. Ms. Sanford asked if there are concerns about the commercial market. Ms. Lintereur stated that they have not heard any concerning reports in Glastonbury, like they have for other towns.

5. Potential for Presentation and Discussion Concerning Review of Bonding for CIP and Pension Funding Options

Mr. Johnson reviewed a series of slides. He explained that Governor Lamont's budget sustains ECS funding to Glastonbury at current year levels. His presented budget had assumed a \$300,000 decrease, so that has become a gain in revenue, which could be allocated either to the mill rate or to the pension ROR. Mr. Johnson explained that a bond issue for the Capital Program is a separate and distinct matter. He noted that the Council does not plan to issue debt for the high school locker room/restroom facility. Mr. Johnson's recommendation is that the BOF sustains the Capital Transfer for \$5.75 million and considers a bond issue for Capital, separate from the budget, which requires Council action and voter approval.

Mr. Zeller says that while he understands that the Council has made it clear that they do not wish to bond, the BOF has an obligation to the residents to say what they think should happen. Ms. Sanford reviewed four moving targets that the BOF has been surfing around the past couple months: borrowing, reducing the BOE budget by \$500,000, moving money out of the General

Fund and applying it to the pension, and lowering the assumed rate of return to 6.25%. Mr. Johnson clarified that the reason why he recommended leaving the Capital Transfer at \$5.75 million is that if a decision is made to borrow and a referendum is successful, there will be no need to put the money in Debt Service and then transfer it back to the Capital Reserve Fund. Mr. Zeller crunched numbers and proposed the following: take \$1 million out of CIP and put \$375,000 of it into Debt and Transfer to borrow \$5.7 million. The \$625,000 left could be put to Town Operations to pay for a reduction of the ROR to 6.25%. The Capital Transfer would be reduced by \$1 million, but many projects would instead be funded through borrowing.

Mr. Johnson stated that if the Board would like to reach the 6.25% ROR, then there would need to be an additional \$670,000. There is \$300,000 from additional state aid, which leaves another \$370,000. If they were to transfer \$1 million from the General Fund, that is \$125,000. He stated that the Board can figure out how to go about that. After some back-and-forth discussion, Mr. McIntosh asked if the Board were to reduce the BOE budget line by \$370,000, they could accomplish two things: keeping the mill rate at what the Town Manager proposed while dropping the ROR to 6.25%. Mr. Zeller added that the BOE would essentially have to find \$616,000 from the proposed budget because of the \$250,000 in unbudgeted expenses, in addition to the proposed \$370,000 reduction. Mr. Johnson explained how a one-time transfer of \$1 million from the General Fund Balance could reduce the BOE's reduction of \$370,000 by about \$125,000, which would mean that the cut to the BOE would be reduced by about \$500,000.

Mr. Cusson is in favor of bonding for future projects because they could take advantage of low interests and it would reduce their spending in this budget and future budgets. He would like to find a way to convey to the Council that this is what they really should do. He is in favor of reducing the ROR to 6.25%. However, Mr. Cusson is very concerned about using money from the savings account, which currently contains \$31 million, because that account has been funded by sources that will probably not be able to be as funded in the future. He noted that the Board is accounting for two pieces of land sales, but given the current market, especially for commercial properties and rentals, he anticipates pressure on the market. He cautioned his fellow board members to consider what would happen if that money is removed, and the land sales do not end up going over in a timely fashion.

Mr. McIntosh stated that there are four issues the Board is now discussing. He believes that they should leave the ROR at 6.5%, but he will vote for 6.25%, if the rest of the package goes forward. He responded to Mr. Cusson's concern about the \$1 million transfer by explaining that, if needed, the Board can add the money back to the General Fund from the pension. Therefore, he supports that action. While Mr. McIntosh believes that the BOE budget should be cut by more than \$500,000, he will agree with the cut of around \$370,000, in order to reach the 6.25% ROR figure. He agrees that bonding is a road they should go down in the future but persuading the Council will require more thought and a better presentation than what they currently have. He suggested that Mr. Johnson put that together to present to them at a later date. He concluded by stating that he will vote yes on the first three items and no on the fourth item.

Mr. Johnson clarified that he did not speak to the Council about borrowing for the Capital Program. Instead, there was an isolated discussion on one specific project that has already been funded, so they were not inclined to borrow for that. Mr. Zeller stated that the BOE needs to

come up with a timely per pupil expenditure measure because the year-over-year that they present is inadequate.

Mr. Cusson recommended tabling the rest of the agenda to a different meeting date. The Board agreed to meet again Friday at 11:00 a.m. Mr. Johnson will provide the Board with an outline of the numbers and how they come together, and the Board will then act on the resolution. Mr. Johnson agreed to Mr. Zeller's request to send out the slides from tonight's presentation, as well.

Motion by: Mr. McIntosh

Seconded by: Mr. Cusson

BE IT RESOLVED, that the Board of Finance hereby tables Agenda Items 6 and 7 to a special meeting to be held on Friday, February 19, 2021 at 11:00 a.m.

Result: Motion was passed unanimously {6-0-0}.

6. Communication: Potential for Any Unfinished Business – FY21/22 Budget

Postponed

7. Possible Action: The Board of Finance pursuant to Section 605 of the Town Charter submits to the Glastonbury Town Council the following proposals:

Postponed

- a. Action: Propose to Town Council FY21/22 Town Operating Budget
- b. Action: Propose to Town Council FY21/22 Education Budget
- c. Action: Propose to Town Council FY21/22 Debt & Transfers Budget
- d. Action: Propose to Town Council FY21/22 General Fund Revenues & Transfers Budget
- e. Action: Propose to Town Council FY21/22 Capital Improvement Program Budget, including Capital Reserve Fund, Town Aid Road and Sewer Sinking Fund
- f. Action: Propose to Town Council FY21/22 Special Revenue Funds, including:
 - i. Sewer Operating Fund Budget
 - ii. Recreation Activities Fund Budget
 - iii. Police Private Duty Fund Budget
 - iv. Riverfront Park Fund Budget
 - v. Bulky Waste Closure Fund Budget

8. Adjournment

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their regular meeting of February 17, 2021, at 6:48 p.m.

Result: Motion passes unanimously {6-0-0}.

Respectfully submitted,

Lilly Torosyan

Lilly Torosyan
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.

**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
FRIDAY, FEBRUARY 19, 2021**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a special meeting at 11:00 a.m. via dial-in conferencing.

Roll Call

Members

- Mr. Constantine "Gus" Constantine, Chairman
- Ms. Jennifer Sanford, Vice Chairman
- Mr. James McIntosh
- Mr. Walter Cusson
- Mr. James Zeller
- Mr. Robert Lynn

1. Public Comment Session - Comments pertaining to the call. *None*
2. Potential for Any Unfinished Business: FY 2021/2022 Budget *None*
3. Possible Action: The Board of Finance pursuant to Section 605 of the Town Charter submits to the Glastonbury Town Council the following proposals:
 - a. Action: Propose to Town Council FY21/22 Town Operating Budget

Motion by: Mr. Zeller

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Board of Finance submits to the Glastonbury Town Council the proposed appropriation of \$46,084,904 for the 2021/2022 Town Operating Budget.

Result: Motion passes unanimously {6-0-0}.

- b. Action: Propose to Town Council FY21/22 Education Budget

Motion by: Mr. Zeller

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Board of Finance submits to the Glastonbury Town Council the proposed appropriation of \$113,749,684 for the 2021/2022 Education Budget.

Disc: Mr. Zeller stated that if they remove the lease space that they have divested themselves of, the BOE's proposed budget would be their fifth highest in the last seven years, not the lowest since 1992, which the BOE keeps maintaining. Mr. Zeller concluded by stating that the BOE has always done a great job with the money they have been given, so they will continue to do so now, and students will be fine, as well.

Result: Motion passes unanimously {6-0-0}.

c. Action: Propose to Town Council FY21/22 Debt & Transfers Budget

Motion by: Mr. Zeller

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Board of Finance submits to the Glastonbury Town Council the proposed appropriation of \$13,573,742 for the 2021/2022 Debt & Transfers Budget.

Disc: Ms. Sanford stated that she will support this action, but she is very disappointed that the bonding discussion ended in this budget cycle. She strongly believes that they should work out the details to borrow for capital projects in the future because they are overtaxing citizens today. The argument for bonding was to give taxpayers some relief. Mr. Lynn echoed Ms. Sanford's concern, adding that they need to push the Council to understand that projects that benefit future generations, such as sidewalks, roofs, and locker rooms, should be paid for by future generations, as an equitable practice. Mr. McIntosh seconded, stating that they should be prepared in the near future to go to the Council with a comprehensive proposal regarding future bonding.

In regard to the BOE budget, Mr. McIntosh will vote in favor of the proposed amount, but he prefers a larger cut because it would produce the necessary incentive for the BOE to become more efficient, economic, and productive. Mr. Zeller agreed with everything stated thus far. He then asked the Town Manager to set up a date for the meeting that Mr. McIntosh recommended, prior to the next CIP budget.

Result: Motion passes unanimously {6-0-0}.

Motion by: Mr. Zeller

Seconded by: Mr. Lynn

BE IT RESOLVED, that the Board of Finance submits to the Glastonbury Town Council the proposed appropriation of \$1 million to be taken from the General Funds Unassigned Fund Balance and transferred to the Pension Fund in a one-time transfer.

Disc: Mr. Lynn stated that he would like to redeploy unproductive assets, such as their \$30 million emergency fund which sits at 0.2% interest, in places that can earn money. This \$1 million is a step in the right direction. Ms. Sanford agreed. Mr. Zeller stated that while a 6.5% ROR may work well in the 75-year horizon, it does not in the short-term. In regard to the \$1 million transfer, he explained that land acquisition is not an obligation while the pension is. He added that the GFOA has a much higher standard than the Town's policy for best practices, so removing the \$1 million should not be a problem.

Mr. Cusson is concerned about the ability of this fund to replenish itself going forward, so he will vote no on it. While Mr. McIntosh understands Mr. Cusson's concerns, he restated that the action is not irrevocable; the Board can put the \$1 million back, if needed. Mr. Lynn also empathized with Mr. Cusson but cautioned that they will be under pressure in the long-term, so

they need to keep their powder dry. In fact, he would have supported more than a \$1 million transfer, in this case. Mr. Zeller remarked that it is important to support this action because without it, the 6.25% ROR becomes an even bigger hurdle to attain.

Result: Motion carries {5-1-0} with Mr. Cusson voting against.

- d. Action: Propose to Town Council FY21/22 General Fund Revenues & Transfers Budget

Motion by: Mr. Zeller

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Board of Finance submits to the Glastonbury Town Council the proposed 2021/2022 General Fund Revenues and Transfers in the amount of \$173,408,330.

Result: Motion passes unanimously {6-0-0}.

- e. Action: Propose to Town Council FY21/22 Capital Improvement Program Budget, including Capital Reserve Fund, Town Aid Road and Sewer Sinking Fund

Motion by: Mr. Zeller

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Board of Finance submits to the Glastonbury Town Council the proposed 2021/2022 Capital Improvement Program Budget in the amount of \$10,597,517. Funding will be provided as follows:

Capital Reserve Fund:	\$9,886,300
Town Aid Road:	\$461,217
Sewer Sinking Fund:	\$250,000

Result: Motion passes unanimously {6-0-0}.

- f. Action: Propose to Town Council FY21/22 Special Revenue Funds, including:
 - i. Sewer Operating Fund Budget
 - ii. Recreation Activities Fund Budget
 - iii. Police Private Duty Fund Budget
 - iv. Riverfront Park Fund Budget
 - v. Bulky Waste Closure Fund Budget

Motion by: Mr. Zeller

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Board of Finance submits to the Glastonbury Town Council the proposed Special Revenue Fund Appropriations, Revenues and Transfers for 2021/2022 as follows:

i) Sewer Operating Fund:	\$3,186,660
ii) Recreation Activities Fund:	\$1,545,090
iii) Police Private Duty:	\$497,847
iv) Riverfront Park Fund:	\$312,525
v) Bulky Waste Closure Fund:	\$160,000

Result: Motion passes unanimously {6-0-0}.

4. Adjournment

Motion by: Mr. Lynn

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of February 19, 2021, at 11:45 a.m.

Result: Motion passes unanimously {6-0-0}.

Respectfully submitted,

Lilly Torosyan

Lilly Torosyan
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.

DEPARTMENT OF FINANCE & ADMINISTRATIVE SERVICES

BOF 3/17/21
Item # 4

February 19, 2021

TO: Board of Finance & Richard J. Johnson, Town Manager
 FROM: *qbt* Julie Twilley, Director of Finance & Administrative Services
 RE: Pension Investment Review – **January 2021**

As of January 31, 2021 the pension asset value is \$195,085,939, a net increase of \$33,060,547 from July 1, 2020. Through the month of January, the fund experienced an unrealized gain of \$24,279,619, which is indicative of the current market and there were realized gains of \$2,593,974. Investment income through January totaled \$1,696,935.

July 1, 2020 Balance	\$ 162,025,392
Revenues:	
Employer Contributions	\$ 9,880,190
Employee Contributions	\$ 1,190,991
Total Contributions	\$ 11,071,181
Investment Income	\$ 1,696,935
Realized Gains/Losses	\$ 2,593,974
Unrealized Gains/Losses	\$ 24,279,619
Total Revenues	\$ 39,641,710
Expenditures:	
Benefit Payments	\$ 6,399,254
Administrative Fees	\$ 107,300
Investment Management Fees	\$ 74,609
Total Expenditures	\$ 6,581,163
Net Increase/Decrease	\$ 33,060,547
Ending Balance January 31, 2021	\$ 195,085,939

Assuming a 6.5% long-term return on the plan's investments, the July 1, 2020 Unfunded Accrued Liability is \$74.4 million (GASB 68 financial reporting basis) and the corresponding funded ratio is 68.6%. The Town's policy for paying off the unfunded liability is such that there are 13 years remaining in our amortization schedule.

cc: Narae McManus, Controller
 Karen Bonfiglio, Finance Manager, Glastonbury Public Schools

Town of Glastonbury

Administrative Services
Accounting Division

February 9, 2021

To: Board of Finance
Richard J. Johnson, Town Manager

From: Narae L. McManus, Controller

Subject: Monthly Investment Status

Pooled Investments

The Town’s pooled cash investment balances at January 31 were \$127,990,112. As of month-end, the investment balances for all funds combined were as follows:

Type of Investment	Amount	Rate	
STIF	\$ 2,549,914	0.15	
Citizens Bank	1,223,398	0.15	
Northern Capital Investment Account	11,664,564	0.25-3.40	Est. current accrued interest \$18,666
Northern Capital Sewer Funds	9,403,135	0.25-3.15	Est. current accrued interest \$12,293
People’s United Investments	73,642,622	0.20	
Liberty Bank Investments	16,008,469	0.20	
TD Bank Investments	489,034	0.15	
Liberty Bank CD	5,003,576	0.30	Matures 04/16/21
TD Bank CD	8,005,400	0.20	Matures 02/12/21
Total	<u>\$127,990,112</u>		

General Fund Earnings

- The General Fund portion of pooled investments at January 31 was \$90.9 million.
- As of January 31, the General Fund has realized investment earnings of \$112,342.
- As of January 31, Sewer Sinking funds totaling \$9,207,000 were invested in fully-insured CDs with terms varying from 6 months to seven years, with current-year realized investment earnings of \$62,394.

Comparative information concerning General Fund earnings follows.

Fiscal Year	Budget	Realized Investment Earnings July-January	Percent of Budget
2020	\$1,500,000	711,393	47.43%
2021	838,000	112,342	13.41

cc: Julie B. Twilley, Director of Finance

TOWN OF GLASTONBURY
ADMINISTRATIVE SERVICES - Financial Administration

March 10, 2021

TO: Board of Finance and
Richard J. Johnson, Town Manager

FROM: JBT Julie Twilley, Director of Finance & Administrative Services

RE: Financial Summary for the Eight Months Ended February 28, 2021 (FY 2020/21)

Note that some variances to budget and prior year are a result of the COVID-19 pandemic. Efforts are on-going to reduce non-business critical expenditures to help offset reductions in revenues.

Expenditure Summary:

Through February 28, 2021, encumbrances total \$47.8m and expenditures total \$103.3m. Combined, this represents 88% of the Town's revised general fund budget of \$171.9m. This compares to \$44.3m and \$101.0m respectively, or 87%, for the same period in the prior year.

The expenditure increase of \$2.3m is mainly driven by the annual Pension contribution, which increased largely due to the implementation of the PUB-2010 Mortality Tables. The year-over-year increase in Pension contribution for the Town was \$1.1m and for Education was \$0.5m. Note that the assumed long-term rate of return on investments was held at 6.5% in FY2020/2021 and the amortization period set at 14-years. Also contributing to the increase is higher wage rates.

Below is an Expenditure & Transfer summary report through February 28, 2021.

FINANCIAL COMPARISONS

The below comparison includes Education encumbrance amounts not reflected in the Town's system Reports.

Fiscal Year	Amend/Budget	Expended	Encumbered	Comit %
<u>2019/2020</u>				
Town	\$ 43,592,562	\$28,633,317	\$ 7,043,089	82%
Education	108,699,846	63,042,160	33,018,242	88%
Debt/Transfers	13,973,755	9,333,210	4,214,428	97%
<u>2020/2021</u>				
Town	\$ 45,784,716	\$29,150,379	\$ 8,258,571	82%
Education	111,754,046	64,279,472	35,430,896	89%
Debt/Transfers	14,331,799	9,870,755	4,068,693	97%

Expenditure comparisons of the three major Town Departments are presented below:

	2019/2020	%	2020/2021	%
ADMIN SERVICES	\$ 3,982,232	64%	\$ 4,442,217	66%
PUBLIC SAFETY	9,808,190	67%	10,635,201	68%
PHYSICAL SERVICES	5,085,411	68%	4,669,923	63%

cc: Karen Bonfiglio, Finance Manager; Narae McManus, Controller

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2021 THROUGH FEBRUARY 28 2021

FUND 010 - GENERAL FUND

Description	2021 ORIGINAL BUDGET	2021 REVISED BUDGET	FY2021 THRU FEBRUARY	2021 ENCUMB	AVAILABLE BALANCE	2021 % USED
GENERAL GOVERNMENT						
TOWN COUNCIL	141,507	146,007	108,624	5,835	31,548	78.4%
CUSTOMER SERVICE	63,179	63,179	38,503	171	24,505	61.2%
TOWN MANAGER	638,161	798,586	391,322	139,544	267,720	66.5%
HUMAN RESOURCES	549,746	549,746	319,747	118,539	111,460	79.7%
FACILITIES MAINTENANCE	1,961,262	1,992,177	1,212,979	354,170	425,028	78.7%
TOTAL GENERAL GOVERNMENT	3,353,855	3,549,695	2,071,175	618,259	860,261	75.8%
COMMUNITY DEVELOPMENT						
COMMUNITY DEVELOPMENT	600,358	661,558	385,929	135,865	139,764	78.9%
BUILDING INSPECTION	554,679	587,854	357,676	156,766	73,412	87.5%
FIRE MARSHAL	375,905	354,705	235,822	69,946	48,937	86.2%
HEALTH	755,234	715,234	429,259	133,063	152,912	78.6%
TOTAL COMMUNITY DEVELOPMENT	2,286,176	2,319,351	1,408,686	495,639	415,026	82.1%
ADMINISTRATIVE SERVICES						
FINANCIAL ADMINISTRATION	645,603	664,843	388,092	185,948	90,803	86.3%
INFORMATION TECHNOLOGY	1,018,641	1,026,641	629,278	304,325	93,038	90.9%
ACCOUNTING	427,845	428,505	256,458	104,860	67,187	84.3%
PROPERTY ASSESSMENT	630,733	630,733	431,171	118,878	80,685	87.2%
REVENUE COLLECTION	489,616	489,616	321,007	119,451	49,158	90.0%
TOWN CLERK	545,271	633,997	432,395	111,100	90,502	85.7%
VOTER REGISTRATION	179,867	201,102	159,165	312	41,626	79.3%
LEGAL SERVICES	300,000	300,000	156,823	2,948	140,229	53.3%
PROBATE SERVICES	24,800	24,800	7,101	10,347	7,352	70.4%
INSURANCE/PENSIONS	2,361,331	2,361,331	1,660,727	173,176	527,428	77.7%
TOTAL ADMINISTRATIVE SERVICES	6,623,707	6,761,568	4,442,217	1,131,342	1,188,009	82.4%
PUBLIC SAFETY						
POLICE	14,156,194	14,409,232	9,959,947	2,713,653	1,735,631	88.0%
VOLUNTEER AMBULANCE	-	-	12,653	-	(12,653)	0.0%
FIRE	1,224,288	1,225,463	649,216	161,313	414,934	66.1%
CIVIL PREPAREDNESS	33,732	33,732	13,385	137	20,210	40.1%
TOTAL PUBLIC SAFETY	15,414,214	15,668,427	10,635,201	2,875,103	2,158,123	86.2%
PHYSICAL SERVICES						
ENGINEERING	1,613,071	1,613,071	1,068,300	396,240	148,531	90.8%
HIGHWAY	4,559,588	4,559,588	2,867,832	743,915	947,841	79.2%
FLEET MAINTENANCE	1,287,972	1,287,972	733,791	239,280	314,901	75.6%
TOTAL PHYSICAL SERVICES	7,460,631	7,460,631	4,669,923	1,379,435	1,411,273	81.1%

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2021 THROUGH FEBRUARY 28 2021

FUND 010 - GENERAL FUND

Description	2021 ORIGINAL BUDGET	2021 REVISED BUDGET	FY2021 THRU FEBRUARY	2021 ENCUMB	AVAILABLE BALANCE	2021 % USED
SANITATION						
REFUSE DISPOSAL	996,357	997,082	646,284	160,058	190,740	80.9%
TOTAL SANITATION	996,357	997,082	646,284	160,058	190,740	80.9%
HUMAN SERVICES						
CONTRIBUTORY GRANTS	32,577	32,577	32,577	-	-	100.0%
YOUTH/FAMILY SERVICES	1,553,103	1,553,103	830,582	278,850	443,671	71.4%
SENIOR & COMMUNITY SERVICES	1,465,253	1,503,653	768,665	172,539	562,449	62.6%
TOTAL HUMAN SERVICES	3,050,933	3,089,333	1,631,824	451,389	1,006,120	67.4%
LEISURE/CULTURE						
PARKS/RECREATION	3,950,817	4,080,016	2,558,083	775,063	746,869	81.7%
WELLES TURNER LIBRARY	1,843,614	1,843,614	1,071,987	372,283	399,345	78.3%
SOUTH GLASTONBURY LIBRARY	7,500	7,500	7,500	-	-	100.0%
EAST GLASTONBURY LIBRARY	7,500	7,500	7,500	-	-	100.0%
TOTAL LEISURE/CULTURE	5,809,431	5,938,630	3,645,070	1,147,346	1,146,214	80.7%
OTHER:Debt & Transfers						
DEBT SERVICE	7,076,799	7,076,799	2,653,409	4,068,693	354,698	95.0%
TRANSFERS	6,605,000	7,255,000	7,217,346	-	37,654	99.5%
TOTAL OTHER:Debt & Transfers	13,681,799	14,331,799	9,870,755	4,068,693	392,352	97.3%
EDUCATION						
EDUCATION	111,754,046	113,267,802	64,463,182	393	48,804,227	56.9%
TOTAL EDUCATION	111,754,046	113,267,802	64,463,182	393	48,804,227	56.9%
TOTAL 010 - GENERAL FUND	170,431,149	173,384,317	103,484,316	12,327,657	57,572,344	66.8%

TOWN OF GLASTONBURY

ADMINISTRATIVE SERVICES - Financial Administration

March 10, 2021

TO: Board of Finance
FROM: *JBT* Julie Twilley, Director of Finance & Administrative Services
RE: Capital Projects Fund Expenditures Report
For the Period Ended February 28, 2021 (FY 2020/2021)

The funding presented on this statement has been authorized by referendum, the annual Capital Improvement Program and additional appropriations from the Capital Reserve Fund balance as noted below. The Capital Program designation includes funding resources of the Capital Reserve Fund, Sewer Assessments Fund, or Sewer Operating Fund and grants. In some cases, funding resources may also be provided from General Fund fund balance.

Current appropriated funding for all Capital projects as indicated on the February 28, 2021 report is **\$97.0m**.

Expenditures for current projects since inception through February 28, 2021 total **\$78.6m**. Encumbrances outstanding total **\$5.8m**. The most significant encumbrances are for Welles Turner Library Renovation (\$4.2m), Bridge Replacement/Rehabilitation (\$0.3m), Hebron Ave. / House Street Improvements (\$0.2m) and the Splash Pad (\$0.2m).

Capital expenditures through the month of February totaled **\$8.7m** and were for Glastonbury Blvd paving, the GHS Kitchen Upgrades, Bridge Replacement/Rehabilitation, Road Overlay, the Multi-Use Trail, and other capital projects.

Attachment

Cc: Richard J. Johnson, Town Manager
Narae McManus, Controller
Karen Bonfiglio, Finance Manager, Board of Education

**TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2021 THROUGH FEBRUARY 28 2021**

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2021 THRU FEBRUARY	2021 ENCUMB	AVAILABLE BALANCE
FUND 301 - CAPITAL RESERVE PROJECTS					
GenGovt/Public Safety (31006)					
51825 Academy Re-Use Phase One	2,221,238	2,219,672	-	-	1,566
51827 Town Buildings Security	675,000	539,048	29,602	2,195	133,757
51828 Facilities Study	70,000	-	-	-	70,000
51833 Disaster Prep/Recovery Resourc	884,000	883,866	-	-	134
51835 Fire Co Renovations/Code Compl	510,960	287,686	25,104	5,177	218,096
51836 Self Containd Breath Apparatus	520,000	520,788	520,788	-	(788)
51849 Public Safety Communications	890,000	397,516	-	-	492,484
51854 Police Building Windows	142,500	88,301	80,085	55,852	(1,653)
51854 Police Building Windows (Pol Bthrm Ren)	110,000	88,848	33,109	11,466	9,686
51855 Fiber Optic Network-School/Twn	1,167,000	1,117,108	1,050	-	49,892
51873 Land Acquisition	1,253,639	1,170,568	5,883	-	83,071
51875 Town Facilities Shop/Storage	1,195,000	1,046,185	4	-	148,815
51888 Property Revaluation	1,851,500	1,563,440	17,974	783	287,277
51890 Townwide Boiler/HVAC Replaceme	557,323	556,812	-	-	511
51892 Document Management System	460,000	271,543	2,722	62,082	126,375
51911 Telephone System	175,000	173,630	-	-	1,370
51912 Tn Hall Improvements	1,717,283	1,712,342	12,495	-	4,941
51914 Townwide Roof Replacement	800,000	657,532	1,715	-	142,468
51915 Clean Renewable Energy In	1,437,044	1,275,555	1,115	49,274	112,215
Total GenGovt/Public Safety	16,637,487	14,570,441	731,646	186,828	1,880,218
PhyServices Sanitation (31007)					
51834 Bulky Waste Scale	91,000	91,523	-	-	(522)
52830 Bridge Replacement/Rehabil	5,150,000	4,579,661	1,077,450	261,273	309,066
52841 Bulky Waste Closure Fund	-	-	-	-	-
52847 Douglas/Sycamore Str Alignment	235,000	28,811	-	1,089	205,100
52848 Main Street Sidewalks Phase 3	1,040,000	558,283	512,641	111,886	369,832
52871 Parking/Access Drive Improvmnt	800,000	596,889	-	-	203,111
52872 Hebron Avenue Resurfacing	1,276,806	1,072,994	14,186	28,459	175,353
52879 Sidewalk Construction Townwide ()	199,522	3,928	3,928	-	195,595
52881 Cedar Ridge Public Water	250,000	250,000	200,000	-	-
52882 Sidewalk Repair and Maintenanc	350,000	349,643	174,835	-	357
52883 Townwide Drainage Solutions	200,000	117,159	117,159	-	82,841
52884 Town Center Streetscape Improv	200,000	-	-	-	200,000
52886 Old Maids Lane-Public Water	175,000	-	-	-	175,000
52946 Road Overlay ()	1,396,735	1,062,265	1,062,265	11,529	322,941
52949 Gen Bicycle/pedestrian Imprvmt	89,262	-	-	-	89,262
52951 Heavy Equipment	439,070	163,702	-	192,733	82,635
52951 Heavy Equipment (San Wheel Loadr)	235,000	195,049	-	-	39,951
52958 Glastonbury Blvd Paving	2,200,000	1,786,279	1,785,977	51,885	361,836

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2021 THROUGH FEBRUARY 28 2021

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2021 THRU FEBRUARY	2021 ENCUMB	AVAILABLE BALANCE
52959 Traffic Calming	100,000	-	-	-	100,000
52960 Renovation andSite Restoration	1,573,189	1,576,344	-	-	(3,155)
52960 Renovation andSite Restoration (Slocumb Dam)	275,000	211,973	198,241	6,696	56,331
52961 Town Center Traffic/Street Imp	2,125,000	2,118,814	-	-	6,186
52963 Hebron Ave/House St Improvemen	1,975,000	1,515,866	150	236,763	222,371
52964 Public Water Service - Uranium	50,000	-	-	-	50,000
52965 Mill St Bridge Replacement	180,000	-	-	-	180,000
Total PhyServices Sanitation	20,605,583	16,279,183	5,146,832	902,312	3,424,089
Culture/Parks &Recreation (31008)					
53825 Addison Park Renovations	225,000	-	-	9,382	215,618
53832 Aquatics Facility	125,000	112,896	-	-	12,104
53837 Minnechaug Golf Improvements	512,500	375,051	19,305	1,870	135,579
53838 Library Exterior Renovations	94,624	-	-	-	94,624
53839 Multi-Use Trail	1,228,000	1,000,181	785,000	36,034	191,785
53841 Splash Pad	500,000	-	-	197,442	302,558
53853 Mower 16' Rotary Mower Rplcmnt	120,000	113,415	113,415	-	6,585
53856 Parks Facility Renov/Expansion	1,067,500	1,002,736	-	23,391	41,373
53856 Parks Facility Renov/Expansion ()	-	925	925	-	(925)
53857 Riverfront Park Extension	803,973	777,023	-	-	26,950
53860 Library Upgrade/Redesign	450,000	247,561	-	-	202,439
53861 Library Windows	156,376	156,376	-	-	-
53872 Salmon Bk PkStudy	-	-	-	-	-
53873 Grange Pool	350,000	344,572	-	-	5,428
53874 Tree Management	250,000	220,782	101,324	20,706	8,512
53875 Cider Mill	80,000	39,926	-	-	40,074
53920 Open Space Access	540,000	337,421	-	1,000	201,579
53921 Winter Hill	125,000	100,153	153	15,000	9,847
53930 Library Space Planning Study	39,485	39,485	-	-	-
Total Culture/Parks &Recreation	6,667,458	4,868,503	1,020,122	304,824	1,494,131
Education (31009)					
55836 HVAC/Boilers Study K-6	-	-	-	-	-
55836 HVAC/Boilers (CAP RES-GID WEL)	1,414,178	1,358,077	-	51,199	4,902
55839 Energy Audit--All Schools	275,500	241,303	-	-	34,197
55847 GHS Fieldhouse	2,325,000	112,432	25,117	64,240	2,148,328
55858 Schools Air Conditioning	2,175,000	2,175,000	-	1	(1)
55859 School Code Compliance	190,000	186,996	-	-	3,004
55860 GHS Kitchen Upgrades	1,675,000	1,649,688	1,366,331	-	25,312
55863 GHS Parking and Access Drives	365,000	365,616	-	-	(616)
55868 Smith Middle School Gym Floor	506,664	309,663	3,000	-	197,001
55870 School Roofs	50,000	14,788	-	3,600	31,612
Total Education	8,976,342	6,413,564	1,394,448	119,040	2,443,738

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2021 THROUGH FEBRUARY 28 2021

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2021 THRU FEBRUARY	2021 ENCUMB	AVAILABLE BALANCE
TOTAL 301 - CAPITAL RESERVE PROJECTS	52,886,870	42,131,690	8,293,047	1,513,004	9,242,176
FUND 302 - SEWER SINKING PROJECTS					
PhySer Sewer Sinking (32007)					
52888 WPC Emergency Power	202,500	154,104	2,154	-	48,396
52889 WPC Energy Conservation Prog	315,000	92,247	-	12,021	210,731
52893 Cider Mill Pump Station	1,791,000	1,670,692	9,800	-	120,308
52894 Sewer Forced Main Evaluation	-	-	-	-	-
Total PhySer Sewer Sinking	2,308,500	1,917,043	11,954	12,021	379,435
TOTAL 302 - SEWER SINKING PROJECTS	2,308,500	1,917,043	11,954	12,021	379,435
FUND 303 - LAND ACQUISITION					
Land / Open Space (33157)					
78827 Land 2009	2,233,000	2,233,000	-	-	-
78828 Land 2012	4,700,000	4,700,000	-	-	-
78829 Land 2016	3,000,000	3,000,000	-	-	-
78830 Land 2017	4,000,000	3,187,938	-	-	812,062
Total Land / Open Space	13,933,000	13,120,938	-	-	812,062
TOTAL 303 - LAND ACQUISITION	13,933,000	13,120,938	-	-	812,062
FUND 304 - TOWN AID					
PhySer Conn Grant (33207)					
52942 Town Aid Improved Rds ()	626,034	99,021	99,021	25,979	501,034
52943 Town Aid Unimproved Rds ()	18,387	5,510	5,510	-	12,877
Total PhySer Conn Grant	644,421	104,531	104,531	25,979	513,911
TOTAL 304 - TOWN AID	644,421	104,531	104,531	25,979	513,911
FUND 314 - RIVERFRONT PARK					
Riverfront Park - Phase I (34560)					
66805 Administrative	147,738	147,737	-	-	1
66810 Engineering	121,418	121,417	-	-	1
66824 Machinery & Equipment	196,373	196,373	-	-	-
66825 Construction	3,784,471	3,784,470	-	-	1
66829 Contingency	-	-	-	-	-
Total Riverfront Park - Phase I	4,250,000	4,249,998	-	-	2
RIVERFRONT PARK - PHASE II (34561)					
66805 Administrative	18,000	17,962	-	-	38
66810 Engineering	863,500	844,120	-	74	19,306
66825 Construction	14,680,000	14,712,305	-	-	(32,305)
66829 Contingency	48,500	30,833	-	-	17,668

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2021 THROUGH FEBRUARY 28 2021

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2021 THRU FEBRUARY	2021 ENCUMB	AVAILABLE BALANCE
Total RIVERFRONT PARK - PHASE II	15,610,000	15,605,220	-	74	4,706
TOTAL 314 - RIVERFRONT PARK	19,860,000	19,855,218	-	74	4,708
FUND 316 - GATEWAY PROJECT					
Gateway Corporate Park (35357)					
52845 Gateway Corp. Park	888,541	869,410	-	-	19,131
Total Gateway Corporate Park	888,541	869,410	-	-	19,131
TOTAL 316 - GATEWAY PROJECT	888,541	869,410	-	-	19,131
FUND 318 - LIBRARY RENOVATION					
Welles Turner Library Renov (34509)					
66805 Administrative	60,515	5,675	5,675	17,145	37,695
66810 Engineering	500,000	350,240	31,610	88,057	61,703
66825 Construction	5,000,000	219,767	219,767	4,112,616	667,617
66829 Contingency	950,000	-	-	-	950,000
Total Welles Turner Library Renov	6,510,515	575,681	257,051	4,217,818	1,717,016
TOTAL 318 - LIBRARY RENOVATION	6,510,515	575,681	257,051	4,217,818	1,717,016
GRAND TOTAL	97,031,847	78,574,512	8,666,584	5,768,896	12,688,439


TOWN OF GLASTONBURY

MEMORANDUM

DEPARTMENT OF ADMINISTRATIVE SERVICES

FINANCIAL ADMINISTRATION

TO: Board of Finance
Richard J. Johnson, Town Manager

FROM:  Julie Twilley, Director of Finance & Administrative Services

DATE: March 8, 2021

SUBJECT: Self Insurance Reserve Update February 2021

The attached report summarizes the Self Insurance Reserve fund through February 28, 2021. The total reserve is \$13,705,344 allocated \$1,889,344 and \$11,816,000 between Town and Board of Education, respectively. As of February the fund is experiencing a \$3,963,895 gain for the fiscal year.

There are 4 large loss claims which are defined as any claims that exceed \$50,000. BOE has 4 while the Town has no large loss claims. None have exceeded the individual Stop Loss limit. The Individual Stop Loss limit is \$200,000 for BOE and \$150,000 for the Town

Enc.

cc: Dr. Alan Bookman, Superintendent
Karen Bonfiglio, Business Manager
Rose Brown, Human Resources Manager

SELF INSURANCE RESERVE FUND

YTD Balances As of: February 28, 2021

	Town	Education	Total
Contributions			
Employer	3,235,693	\$9,270,238	\$12,505,930
Employee	823,732	1,807,174	2,630,905
Stop Loss Reimbursement	31,657	33,689	65,346
Total Revenues	\$4,091,081	\$11,111,100	\$15,202,182
Expenditures			
Anthem			
ASO Fees	\$70,066	\$163,125	\$233,190
Claims	1,991,873	5,062,703	7,054,576
	\$2,061,938	\$5,225,828	\$7,287,766
CTCare			
ASO Fees	\$3,582	\$30,374	\$33,956
Claims	545,714	1,842,936	2,388,651
	\$549,296	\$1,873,311	\$2,422,607
Delta Dental			
ASO Fees	\$11,603	-	\$11,603
Claims	121,119	-	121,119
	\$132,723	-	\$132,723
Bank Fees/PCORI Fee	\$1,098	\$3,753	\$4,851
CT Prime	355,400	967,440	\$1,322,840
OneDigital Consultant Fees	13,500	54,000	67,500
	\$369,998	\$1,025,193	\$1,395,191
Total Expenditures	\$3,113,955	\$8,124,331	\$11,238,286
Current Year Revenues Less Expenses	\$977,126	\$2,986,769	\$3,963,895
Reserve July 1, 2020	\$912,218	\$8,829,231	\$9,741,449
Reserve at end of month	\$1,889,344	\$11,816,000	\$13,705,344

Note: The Reserve formula will be updated at the end of each quarter. The next update will be provided in May 2021.

TOWN OF GLASTONBURY
REQUEST FOR TRANSFER OF FUNDS

FUND	GENERAL FUND
SOURCE OF FUNDS	Within Department
ACTION REQUIRED	Town Manager

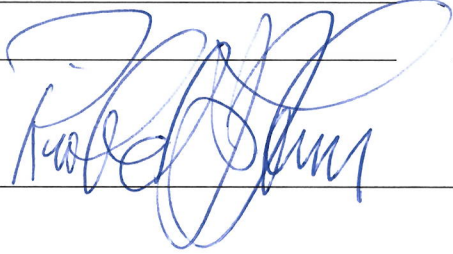
REASON FOR TRANSFER

Youth & Family requires a printer and switch. Funds are available within Professional Services and will be transferred to Office Equipment/Furniture.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
Youth & Family Services – Part-time Wages	04065-40430	\$1,950.00

TRANSFER TO	ACCOUNT CODE	AMOUNT
Youth & Family Services – Office Equipment/Furniture	04065-44710	\$1,950.00

Date 2-26-2021

Town Manager 

TOWN OF GLASTONBURY
TRANSFER OF FUNDS

BOF 3/17/21
Item # 9b

FUND	General Fund
SOURCE OF FUNDS	Within Department
ACTION REQUIRED	Town Manager

REASON FOR TRANSFER

Funding needed to update an existing Budgetary Financial Report and to create a new Budgetary Financial Report. Funding available from reduced Training and Dues.

TRANSFER FROM-HEALTH	ACCOUNT CODE	AMOUNT
Financial Administration Department: Training & Dues	01519-42580	\$700

TRANSFER TO-HEALTH	ACCOUNT CODE	AMOUNT
Financial Administration Accounting Department: Capital Account	01521-44710	\$700

Date 2-26-2021

Town Manager

BANK COLLATERALIZATION REPORT

AS OF December 31, 2020

PUBLIC FUNDS PROTECTION CGS 7-400/36A-330

Bank	Tier-One Leverage Ratio	and	Risk-Based Capital Ratio	Minimum Collateral Required	Uninsured Public Deposits (in 000's)	Total Collateral (in 000's)	Is Total Collateral Greater Than Required Collateral ^(A)
	6% or grtr	and	12% or grtr	10%			
	< 5%	and	< 10%	110%			
	All others			25%			
Bank of America	7.68%		14.85%	10.00%	687,239	581,909	Yes
Citizens Bank	9.16%		12.95%	10.00%	167,931	30,000	Yes
JP Morgan/Chase	7.89%		16.89%	10.00%	109,908	120,956	Yes
People's United	8.71%		12.76%	10.00%	1,077,260	284,110	Yes
TD Bank	7.49%		16.60%	10.00%	989,341	130,000	Yes
Webster Bank	8.65%		13.71%	10.00%	1,549,537	197,155	Yes
Liberty Bank	11.72%		15.08%	10.00%	236,595	41,356	Yes

(A) Required Total Collateral > Minimum Collateral Required % X Uninsured Public Deposits.

* Wells Fargo was previously listed on this report. Upon further review, Wells Fargo only hold trust funds for the Town of Glastonbury, not bank assets, and therefore is not subject to collateralization requirements listed above. As such, Wells Fargo will no longer be listed on this report.

BOF 3/17/21
Item # 12

Posted February 22, 2021

M&T Bank Corporation Announces Agreement to Acquire People's United Financial, Inc.



in the news

Buffalo, NY and Bridgeport, CT, February 22, 2021 - M&T Bank Corporation (NYSE: MTB) ("M&T") and People's United Financial, Inc. (NASDAQ: PBCT) ("People's United") announced today that they have entered into a definitive agreement under which M&T will acquire People's United in an all-stock transaction.

The combined company will create a diversified, community-focused banking franchise with approximately \$200 billion in assets and a network of more than 1,100 branches and over 2,000 ATMs that spans 12 states from Maine to Virginia and the District of Columbia. The combined franchise will operate across some of the most populated and attractive banking markets in the U.S. As part of the transaction, People's United's current headquarters in Bridgeport, Connecticut will become the New England regional headquarters for M&T, further strengthening the combined company's commitment to Connecticut and the region.

Under the terms of the agreement, People's United shareholders will receive 0.118 of a share of M&T common stock for each People's United share they own. Following completion of the transaction, former People's United shareholders will collectively own approximately 28% of the combined company. The implied total transaction value based on closing prices on February 19, 2021 is approximately \$7.6 billion.

"In People's United, we have found a partner with an equally long history of serving and supporting customers, businesses and communities," said René Jones, chairman and chief executive officer of M&T, who will lead the combined company in the same capacity. "Combining our common legacies and our complementary footprints will strengthen our ability to serve our communities and customers, and provide solutions that make a difference in people's lives. I am incredibly excited about this opportunity and look forward to welcoming new customers and team members to our M&T family."

"M&T is a like-minded partner that shares our culture of supporting communities by focusing on building meaningful relationships and providing personalized products, services and local market expertise to customers, while building on our legacy of excellence in service," said Jack Barnes, chairman and chief executive officer of People's United. "The merger extends our reach by providing customers access to a larger banking network and an expanded array of services."

- **Shared commitment to local communities:** Both companies have been long recognized for their community commitments and longstanding support of civic organizations. Over the past decade, M&T, through The M&T Charitable Foundation, has donated \$263.7 million to over 2,800 nonprofit organizations across eight states and the District of Columbia. M&T Bank has been awarded the highest possible Community Reinvestment Act rating on every examination since 1982 from the Federal Reserve Bank of New York.

People's United Community Foundation and People's United Community Foundation of Eastern Massachusetts has granted \$40 million to nonprofits aligned with the Foundations' collective mission since its inception in 2007. Through the foundations, M&T will use \$90 million to support charitable activities in the communities currently served by People's United.

- **Compelling financial impacts:** M&T expects the transaction to be immediately accretive to its tangible book value per share. It is further expected that the transaction will be 10-12% accretive to M&T's earnings per share in 2023, reflecting estimated annual cost synergies of approximately \$330 million.

Upon closing, Jack Barnes, Kirk Walters and three other current members of the board of directors of People's United will join M&T's board of directors.

The merger has been unanimously approved by the boards of directors of each company. The merger is expected to close in the fourth quarter of 2021, subject to the satisfaction of customary closing conditions, including receipt of regulatory approvals and approval by the shareholders of each company.

Lazard acted as financial advisor to M&T in connection with the transaction and Sullivan & Cromwell LLP served as legal advisor. Keefe, Bruyette & Woods, a Stifel Company, served as lead financial advisor to People's United. J.P. Morgan Securities LLC also served as financial advisor, and Simpson Thacher & Bartlett LLP served as legal advisor to People's United.

Investor call and webcast

M&T will hold a conference call today, February 22, 2021, at 8:00 a.m. ET to discuss today's announcement. A live webcast of the call and the replay will be available on the websites of M&T and People's United. A conference call replay will be available. To view details for the webcast, visit: <https://ir.mtb.com/events-presentations>. To listen to the live conference call, dial 800-459-5343 or 203- 518-9553 and reference the passcode Conference ID: MA529273. To access the replay, dial 800-283-4642 and reference the passcode Conference ID: MA529273.

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About M&T Bank Corporation

M&T Bank Corporation is a financial holding company headquartered in Buffalo, New York. M&T's principal banking subsidiary, M&T Bank, operates banking offices in New York, Maryland, New Jersey, Pennsylvania, Delaware, Connecticut, Virginia, West Virginia and the District of Columbia. Trust-related services are provided by M&T's Wilmington Trust-affiliated companies and by M&T Bank.

BACK TO PRESS ROOM >

TOWN OF GLASTONBURY

ADMINISTRATIVE SERVICES - Financial Administration

March 10, 2021

TO: Board of Finance
 FROM: *JB* Julie Twilley, Director of Finance & Administrative Services
 RE: Pension Calculation Question

Board of Finance member Mr. Lynn asked for clarification regarding the calculation of how a lump sum payment of \$1m to the Pension would impact the ADC. A range of the impact has previously been provided from \$100k to \$125k.

Consulting actuary Becky Sielman provided the following illustration for which comments are provided below:

- The \$1m is contributed to assets of the Plan, which reduces the Unfunded Accrued Liability and is therefore amortized over 13 years (from July 1, 2020).
- The "Payment" column represents the reduction in the ADC by year, which equates to the allocation of the \$1m across the 13 years. In Year 1, this amount is \$90,789.
- The "Payment" is assumed to increase at the Amortization Growth Rate of 3.5% per year.
- The "Outstanding Balance" is assumed to grow at 6.5% per year. To provide an example of the "Outstanding Balance" calculation, Year 2 is as follows: $(\$1m - \$90,789) \times 1.065$.
- By year 14, the "Outstanding Balance" is zero and the Unfunded Accrued Liability has been fully funded.
- The average "Payment" over the 13 years is \$113k.

Glastonbury Amortization Illustration

Initial amount	\$1,000,000
Interest rate	6.50%
Amortization growth rate	3.50%
Amortization period	13
Payment in first year	\$90,789

Year	Outstanding balance	Payment
1	\$1,000,000	\$90,789
2	968,310	93,967
3	931,175	97,255
4	888,125	100,659
5	838,651	104,182
6	782,209	107,829
7	718,215	111,603
8	646,042	115,509
9	565,017	119,552
10	474,421	123,736
11	373,479	128,067
12	261,364	132,549
13	137,188	137,188
14	(0)	

Cc: Richard J. Johnson, Town Manager



BOF 3/17/21
Item # 14a.i.

**GLASTONBURY BOARD OF FINANCE
 SPECIAL MEETING MINUTES
 WEDNESDAY, JANUARY 20, 2021**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a special meeting at 4:00 p.m. via dial-in conferencing.

Also on the call was controller Narae McManus.

Roll Call

Members

- Mr. Constantine “Gus” Constantine, Chairman
- Ms. Jennifer Sanford, Vice Chairman
- Mr. James McIntosh
- Mr. Walter Cusson
- Mr. James Zeller
- Mr. Robert Lynn

- 1. Public Comment Session Pertaining to the Call** *None*
- 2. Communication: Minutes – December 16, 2020** *Accepted as presented.*
- 3. Communication: Pension Report – November 2020**

Ms. Twilley reviewed the report dated December 2, 2020. Ms. Sanford asked about the timing on the Milliman work. Mr. Johnson explained that Becky Sielman will attend the Board’s February meeting to follow up on questions asked in December, including the liquidity analysis question.

4. Communication: Month End Investments – November 2020

Ms. McManus reviewed the report dated December 10, 2020. Ms. Sanford asked how the self-insurance investment account is invested and what rate it is currently yielding. Ms. McManus stated that the account is with People’s United Bank, whose investment is currently earning 20 basis points.

5. Communication: Financial Summary (Revenues & Expenditures) for 6 months - December 2020

Ms. Twilley reviewed the report dated January 8, 2021. Ms. Sanford asked where the revenues have hit for the COVID-19 grants. Ms. Twilley explained that money for the Town has come through as a revenue this year. They have already received all of the funds for the coronavirus relief fund. Ms. Sanford asked if this year’s one-time revenues will distort the actual numbers for the budget. Ms. Twilley explained that they look at each individual line and try to understand what was impacted and where. However, in the aggregate, this year’s budget looks good. Mr. McIntosh asked why the state is sending money to the BOE. Ms. Twilley explained that it was to

cover expenditures; none of it was to cover revenue shortfall. Ms. Sanford asked if the new coronavirus relief fund passed on December 27, 2020 will impact reimbursements for COVID-19 expenses in the following year. Mr. Johnson explained that one does not balance the budget on one-time revenues because they do not sustain year after year. Therefore, they are unlikely to be listed as a budget line item. Mr. Zeller asked Mr. Johnson for a summary in the next few weeks of the monies that have been deposited into the General Fund. Mr. Johnson agreed to provide that.

6. Communication: Education Reconciliation – November 2020

Ms. McManus reviewed the report dated December 17, 2020. Following Ms. Sanford's suggestion, they have decided to remove this item from the agenda going forward and will only report it if there is a problem or if it needs to be reconciled. The Board had no objections.

7. Communication: Capital Projects – December 2020

Ms. Twilley reviewed the report dated January 8, 2021.

8. Communication: Self Insurance Reserve Fund – December 2020

Ms. Twilley reviewed the report dated January 8, 2021. Mr. Lynn asked what the actuarial reserve number is and when do they become over reserved. Ms. Twilley explained that, on a quarterly basis, their consultant runs the recommended minimum reserve. The last time they did that, the recommended minimum reserve was about \$5.7 million total for the BOE and Town combined, which they have exceeded. She noted that they have also been lucky to have only three large loss claims this year and that the favorability could be a result of people delaying care due to COVID. Ms. Twilley concluded that the consultant will report an updated minimum reserve which will be made available to the Board at their February meeting.

9. Communication: Transfers Approved by Town Manager Since Last Meeting (None)

10. Action: Transfers over \$5,000

a. Parks & Recreation Plow Trucks

Motion by: Mr. McIntosh

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby transfers \$17,000 from the Parks and Recreation Part-Time Wages (seasonal maintainer) fund to the Parks and Recreation Capital Outlay for Trucks and Vehicles fund.

Disc: Mr. McIntosh explained that they have had an extremely mild winter the past two years. He asked if they could skip replacing the snowplows. Mr. Johnson clarified that these vehicles are work trucks that are used 12 months of the year, not just in the winter. He agreed that Mr. McIntosh's point is a fair one, and the document should have said 'pick up trucks' instead, to avoid confusion.

Result: Motion passed unanimously {6-0-0}.

11. Action: Potential Land Acquisition

Mr. Johnson explained that this is a three parcel, about 30-acre site that the Council has been eyeing for a while. The goal is to purchase it to join with two other surrounding open spaces. The purchase price is \$390,000. The property satisfies a series of goals for the POCD. Mr. McIntosh asked if, once the house is carved out, the site will be landlocked for the Town. Mr. Johnson explained that there will be access from the 50-foot right of ways located on both sides of the lot, as well as a corner of an abandoned section of Hill Street. They also hope to eventually work with the Kongsicut Land Trust to provide access off of Birch Mountain Road.

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council the purchase of the proposed 30-acre site off Hill Street, to be funded from the Reserve for Land Acquisition and Preservation.

Result: Motion passed unanimously {6-0-0}.

12. Communication: Audit Review Meeting

Ms. Twilley stated that the annual meeting with auditors will likely be scheduled at the end of February 2021. The Board will soon need to decide who they would like to send as their representatives.

13. Board of Finance Committee Reports, comments and remarks (no action to be taken)

Mr. Constantine noted that the PBC has not yet had any meetings. Mr. Johnson asked the Board to consider holding their final public hearing on their February 8 meeting instead of the scheduled February 3 meeting, in order to give Town staff more time to finalize everything for the budget. The Board agreed to do so, by consensus. Mr. Johnson stated that the agenda of their February 1 meeting will note that change, so as to have it in writing.

14. Adjournment

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of January 20, 2021, at 4:41 p.m.

Result: Motion passes unanimously {6-0-0}.

Respectfully submitted,

Lilly Torosyan
Lilly Torosyan
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.



INSTR # 2021000674
 DATE FILED 01/27/2021 03:06:11 PM
 MICHELLE KRAMPITZ
 TOWN CLERK
 GLASTONBURY CT

BOF 3/17/21
Item # 14a.ii.

**GLASTONBURY TOWN COUNCIL
 SPECIAL MEETING MINUTES
 WEDNESDAY, JANUARY 20, 2021**

The Glastonbury Town Council with Town Manager, Richard J. Johnson, in attendance, held a Special Meeting at 6:00 p.m. via Zoom video conferencing. Also in attendance were members of the Board of Finance and Board of Education, as well as department heads of town and education staff. The video was broadcast in real time and via a live video stream.

1. Roll Call.

Council Members

- Mr. Thomas P. Gullotta, Chairman
- Mr. Lawrence Niland, Vice Chairman
- Dr. Stewart Beckett III
- Ms. Mary LaChance
- Ms. Deborah A. Carroll
- Mr. Jacob McChesney
- Mr. Kurt P. Cavanaugh
- Ms. Lillian Tanski
- Mr. Whit C. Osgood

a. Pledge of Allegiance

Led by James Zeller

2. Public Communication and Petitions pertaining to the Call. *None*

3. Special Business as contained in the Call.

a. Annual Capital Improvement Program Budget presentation and discussion.

Before beginning his presentation, Mr. Johnson explained how tonight's virtual meeting would proceed. He will review about five slides at a time, then stop for questions, which will be transmitted via the technological assistance of Mr. Niland. Mr. Johnson noted that about 30 projects are proposed in the Capital Reserve Fund, which is typical for most years. 20 of those projects, totaling \$6.8 million, take care of what the Town currently owns.

Mr. Johnson explained that the road overlay allocation has grown over the last several years. A phased increase in this account is proposed, in order to keep up with road maintenance. In regard to the sidewalk maintenance allocation, Mr. Johnson explained that while the Town has a significant number of sidewalks, they need to be mindful of the care, maintenance, and monitoring of them, to avoid issues like trip and fall lawsuits. Regarding infrastructure and major

*Glastonbury Town Council
 Special Meeting of January 20, 2021
 Recording Clerk – LT
 Minutes Page 1 of 6*

equipment, Mr. Johnson explained that the appropriation for this account is typically rolled over from year to year. Therefore, they expect to cover part of the costs of equipment that need replacing, such as the street sweeper. He then noted that this is the third year of a \$100,000 allocation for storm drainage.

Mr. Johnson explained that they would like to further support sustainable community initiatives in Town. One such opportunity to do this has been the Main Street reconstruction project. Mr. McChesney stated that, last year, the Council allocated \$200,000 for brick relaying in that area. Mr. Johnson stated that is correct. After that allocation, they learned of the grant opportunity for \$1.86 million, so the \$200,000 would be encompassed in that scope, in order to conduct other work in the Town center. Dr. Beckett asked if cutouts can be made for buses to pull over, so that they do not obstruct traffic in the Town center. Mr. Pennington agreed to coordinate with transit to accomplish that. Mr. Niland asked about the condition of the street sweeper. Mr. Pennington stated that it is a high maintenance piece of machinery. The manufacturer no longer exists, so in addition to its age, they have difficulty finding parts to repair it. Therefore, it is prudent to replace it now.

Mr. Johnson continued his presentation with a review of public safety communications, stating that these initiatives are part of an ongoing effort to update their systems. They continue to work with a consultant who is identifying the needed costs, to be funded in phases: \$420,000 a year for four years, totaling four years, \$1.6 million. He explained that it is better to fund this on a cash basis because technology and equipment become outdated very quickly, so bond payments last longer than the equipment, in many cases. The BOF approved a \$400,000 transfer from the General Fund to buy new self-contained breathing apparatuses for the Fire Department. This proposal pays back the General Fund in one year. Mr. Zeller remarked that while paying back the General Fund is welcomed, the idea of raising taxes this year to pay more money into the Unassigned Fund Balance is something he would have to give a lot of thought to, and he asked others to do the same. Mr. Lynn added that, going forward, he would like to bundle these so that they could take advantage of historically low bond rates. This way, they could better fund their pension obligation and allow future citizens to pay for the benefits of some of these capital items.

Mr. Johnson then reviewed the various education projects, explaining that the BOE's highest priority in its capital program is to replace the lockers in elementary schools. Dr. Bookman stated that these lockers are original to the building, which dates back to 1942. While they have needed to be replaced for a long time, the BOE finally put it on their list this year. In regard to the high school athletic building, Mr. Johnson explained that the locker room and restroom project was sent out to bid, which was very successful. The low bid is \$2.04 million, which does not include an extra \$360,000 worth of costs, namely hazardous material abatement, removal of underground storage tank, and some A&E for contingency. He suggested that, should the project move

forward, the funding of this element proceed over the short term and outside the budget cycle. The reasoning behind this is, if they wait, it will not be possible to complete the work by the end of August 2021. Dr. Bookman added that the BOE had put aside money from their 1% fund to fund the lockers, and the BOE will have to make the decision on whether or not they want the covering/connection for the two parts, which consist of the locker rooms and the restrooms. He further explained that, in the spring season, they will not have use for the locker rooms, but they do expect there to be a fall season with the football team. Part of the requirements to hold home football games is to have locker rooms.

Mr. Johnson explained that, for the Smith Middle School gym floor project, the BOE is looking at a vinyl flooring sports floor, in order to mitigate the moisture issue. Dr. Bookman reminded the Council that, last year, they funded the initiative at \$200,000, while asking the BOE to make sure that they knew what the problem was before using the money. He noted that the BOE did exactly that; they researched the issue extensively, identified the problem, and are now ready to move forward with this solution, which costs just \$100,000.

Mr. Zeller noted that this is the second placement floor in 10 years. The problem the last time was that the company went out of business. He asked if the BOE is comfortable that this will not happen again. Dr. Bookman stated that they do not have any concerns. Mr. Cavanaugh noted that there were issues with the floor at the RCC. He asked if the material at the Smith School is the same. Mr. Johnson explained that the original floor there was bamboo, which was replaced with a laminate which is similar to the flooring proposed at Smith School. Town Building Superintendent Dave Sacchitella echoed Mr. Johnson's response, adding that the vinyl laminate at the community center has been in over five years and has performed flawlessly.

Mr. Johnson explained that the roof of the Gideon Welles School is 29 years old. He noted that, because the roof is over 20 years old, it is eligible for state reimbursement, but the grant approval process will take a few years. Therefore, their proposal is to fund the design and cost estimate of the work to prepare for a grant application, which will likely take place in 2024 or 2025. Ms. Tanski asked that, as part of the study to research updates, they take a look at the longevity of different proposed materials for roofs in town, since town buildings use many different types and quality roofs.

Mr. Osgood asked if they did an estimate for the cost of the interior of the field house. Dr. Bookman replied yes, it is about \$210,000, which they will take from the BOE's 1% fund. Mr. Osgood then asked for an estimate for the roof over the breezeway. Dr. Bookman stated that it is \$42,000. Mr. Osgood asked what the total cost of this project will be. Mr. Johnson stated that it will run about \$2.5 million. Mr. Osgood commented that he would not mind this project going to bonding. Mr. Zeller requested checking on whether or not they might be able to bond these very

large projects. Mr. Johnson stated that he will look into it. Mr. Gullotta remarked that, in order to move forward on this project, the Council needs to put it as an agenda item for their meeting next week. The Council agreed to do so.

Dr. Beckett stated that if there are any big projects on the BOE's horizon, such as the replacement of the elementary schools' locker rooms, they would need time to discuss those initiatives so that they are not rushed through at high costs. Mr. Doug Foyle, Education Chairman, explained that the BOE has put together a five-year facilities plan. The elementary school lockers had been delayed for a long time. As part of the next five-year plan, they will evaluate the situation of their buildings and conduct research on their student populations, in terms of growth, reductions, etc. Mr. Niland asked if the BOE has considered an alternative to lockers because children do not really use them anymore. Dr. Bookman replied, the locker usage in elementary schools is massive, so they are a necessity.

Mr. Johnson explained that this is the third year of an annual capital allocation for street trees, which become a lawsuit liability when they get torn down. He noted that the Town is currently awaiting a \$128,000 grant to assist in this important ongoing project. The Addison Park renovations incorporate a phased approach of \$225,000 that was allocated this past July, supplemented by an additional \$70,000. The Riverfront Park and Boat House is looking at a number of improvements to ensure public safety and to enhance the sprinkler system, as well as to realign the dock system. Mr. Osgood asked about the outdoor storage at the boathouse. Ms. Lisa Zerio, Director of Parks and Recreation, stated that there is a waiting list of 20 people for use of the outdoor racks. Dr. Beckett asked for a sketch of the realigned boat docks. Mr. Johnson explained that it is a work in progress, and while they have some thoughts, there is no design to present, at this time.

Mr. Johnson reviewed the Town Hall project to complete renovations to the academy structure, particularly the kitchen area, for a self-serve food bank. He explained that the underground storage tank behind the Police Department is the Town's primary source for unleaded fuel. DEEP requires removal after 30 years, which will be up in 2025. While they have an insurance policy and inspect the tank annually, some towns have had bad experiences with these kinds of tanks; therefore, the proposal is to remove it sooner rather than later and replace it with an above ground tank. Mr. Zeller agreed that replacing the underground storage tank is a good idea but felt that an above ground tank in a residential area also seems hazardous. He suggested the private sector take on the liability as an option for the Council to consider. Mr. Niland asked how much fuel they use and how much of a savings they realize over what the market rate might be. Mr. Johnson agreed to confirm those numbers. He then discussed the Bulky Waste Closure Fund, which has three funding sources: the Capital Program, the sale of fill, and tip fees.

Next, Mr. Johnson reviewed ongoing projects and initiatives, which have been funded in several prior years. One such project is the property revaluation, the next one of which will take place in October 2022. Energy/sustainability efforts have been a success for Glastonbury. Since 2008, the Town has reduced consumption by about 25% and Education by about 33%. For the Town's Disaster and Emergency Preparedness, storm responders and staff have proposed a \$250,000 allocation to respond to what they have identified as system-wide needs for emergency response.

Mr. Johnson explained that the Main Street sidewalks project is in its third phase. The Council will hold a public information hearing on adding another section. Should the project move forward, construction will proceed this coming season. Mr. Osgood asked if Town staff have looked at a comparable price for construction on the east side instead. Mr. Pennington stated that, while they thought about it, there was a concern about the safety of the crossing at a busy road. Mr. Zeller asked if there has been consideration to putting in batteries at the traffic lights to kick in when the power goes out. Mr. Pennington said yes, it is feasible. Several of the newer lights have batteries, but the problem is when power goes out for days. To combat this, they have installed controllers with a receptacle that could be plugged in a small backpack-type generator, which worked well this past summer. Mr. Johnson summarized that almost \$1.25 million worth of new sidewalks are to proceed in the next year.

Mr. Johnson then reviewed the four new projects and proposals, totaling \$1.9 million. He clarified that there is another pending grant for the Bell Street sidewalks. He is optimistic that the grant will be approved, which will provide \$600,000 of the \$775,000 price tag for the project. The Gateway Corporate Park will be 100% funded, and \$100,000 is proposed for education feasibility analysis/cost estimating. Mr. Foyle explained that, at the top of the BOE's priority list, is to bring all of the elementary schools up to the same physical standard, so they seek to close the open classrooms at the Naubuc School. Dr. Bookman added that another concern they are looking into is the heating at Naubuc School, which is scheduled for replacement.

Mr. Johnson explained that \$80,000 is proposed to be allocated for the construction of pickleball courts, which will support the livable communities and sustainability initiatives. Mr. Osgood asked to instead consider constructing it as two tennis courts and line them for pickleball courts. Several people have also approached him asking for paddleball courts, as well. He also suggested installing lighting. Mr. Johnson stated that they expect to put in the conduit to have lighting. He noted the idea to construct two tennis courts as interesting and agreed to take a look at it. Mr. McChesney asked if the proposed location for the pickle ball courts will significantly impact the Apple Harvest and other events held there throughout the year. Mr. Johnson stated that they tried to move it as southerly on the property as possible. Ms. Zerio added that most of the Apple Harvest's activities have historically been further north. Mr. Johnson agreed to take a look at their most recent layout as compared to where these courts are proposed.

The estimated Capital Reserve Funding totals about \$6.48 million for the 30 projects proposed. Mr. Johnson then reviewed other projects to be funded through the Sewer Sinking Fund and Town Aid, such as the Eastbury Pump Station and analysis of the sanitary sewer force mains. He noted that the Capital Reserve Fund Transfer has gone down, to \$5.75 million in 2022, but assuming a 3% cost escalation and loss of purchasing power, he expects that number to go up in the following two years. The Unassigned Fund Balance is about \$2 million, and there is a decrease of \$2.46 million in the Debt Service, which includes the most recent library acquisition and bond sale of July 2020, but not the land acquisition of \$3 million. Mr. Johnson then briefly went through other projects, such as the proposal to update the Grange Pool, the Town Center streetscape improvements, and traffic calming. He showed a chart illustrating various debt service scenarios, assuming a 20-year bond at various interest rates.

Mr. Cavanaugh asked when the State plans to start the project regarding the New London Turnpike and Douglas Road intersection. Mr. Johnson explained that they have had discussions with the DOT and raised a concern about the cues for the lights back to Douglas Road. The Town agreed that installing a roundabout was the right solution. However, the DOT's initial cost estimate for the project was about \$1.1 million for a signalization option versus \$2.5 million for installing a roundabout. Mr. Johnson noted that they are in the process of researching the scope of what a roundabout would cost, and the earliest that construction could possibly begin would be in 2022. With no further comments or questions, Mr. Johnson completed and summarized the presentation.

4. Adjournment.

Chairman Gullotta thanked Mr. Johnson for a very thorough presentation and closed the meeting at 8:34 P.M.

Respectfully submitted,

Lilly Torosyan

**Lilly Torosyan
Recording Clerk**

**Thomas Gullotta
Chairman**

**GLASTONBURY TOWN COUNCIL
ANNUAL TOWN MEETING MINUTES
WEDNESDAY, JANUARY 27, 2021**

The Glastonbury Town Council with Town Manager, Richard J. Johnson, in attendance, held the Annual Town Meeting at 7:00 p.m. via Zoom video conferencing. Also present was Dr. Alan Bookman, Superintendent of Schools, Doug Foyle, Board of Education Chairman, and Members of the Boards of Education and Finance. The video was broadcast in real time and via a live video stream.

1. Roll Call.

Council Members

Mr. Thomas P. Gullotta, Chairman
Mr. Lawrence Niland, Vice Chairman
Dr. Stewart Beckett III
Ms. Mary LaChance
Ms. Deborah A. Carroll
Mr. Jacob McChesney
Mr. Kurt P. Cavanaugh
Ms. Lillian Tanski
Mr. Whit C. Osgood

2. Town Clerk to call Town Meeting to order.

Led by Ms. Michelle Krampitz

3. Pledge of Allegiance.

Led by Ms. Michelle Krampitz

Ms. Krampitz welcomed everyone to the first virtual annual town meeting of Glastonbury. She thanked the previous Town Clerk, Joyce Mascena, for her 17 years of service before retiring last year. Ms. Krampitz then went over the history of annual town meetings in Glastonbury.

4. Election of Acting Clerk.

Nomination By: Ms. Carroll

Seconded By: Dr. Beckett

Lilly Torosyan for Acting Clerk

Ms. Krampitz called for other nominations, but hearing none, she closed the nominations and called for a vote.

Result: Lilly Torosyan was elected acting clerk by a unanimous vote with no nay votes voiced.

5. Election of Moderator of Town Meeting.

Nomination By: Ms. Carroll
Larry Niland as Moderator.

Seconded By: Dr. Beckett

Ms. Krampitz called for other nominations, but hearing none, she closed the nominations and called for a vote.

Result: Larry Niland was elected moderator by a unanimous vote, with no nay votes voiced. Mr. Niland greeted everyone and explained tonight's meeting schedule and process.

6. Opening remarks by Town Council Chair, Thomas Gullotta.

Chairman Gullotta stated that it has been a difficult year. He thanked Mr. Johnson, Town staff, Dr. Bookman, and teachers in Town for doing a great job in managing an exceedingly difficult year. He noted that Town finances are strong, which has been a bipartisan effort. He then stated that this budget will do right by the taxpayers in the community.

7. Presentation on Budgets:

a. Town Operating and Debt & Transfer Budget and Capital Improvement Program Budget. (Town Manager)

Mr. Johnson explained that the Town operating budget is about a 1.7% increase from last year. A subset of that is the ADC pension cost, which accounts for roughly 1.5%, so the proposed budget increase is actually just about 0.2%. He reviewed the major components of the budget, such as wages, which increased 1.62%, and insurance, which decreased by almost half a million dollars. Data processing and technology increased by about \$120,000. He noted that because Town staff is relatively lean, a robust human resources system is of the utmost importance. Contractual services increased modestly, mainly because of the Everbridge Notification System. Utilities and fuel costs have a savings of \$56,000, which Mr. Johnson attributed to Glastonbury's effective management of utilities. Capital outlay, which sustains systems and buildings in Town, has a modest increase of \$20,000. All other operating costs have resulted in a \$125,000 increase.

Mr. Johnson reviewed the Consumer Price Index (CPI) of Glastonbury compared to other Northeast towns, noting that many of the cost increases that the Town experiences run at a greater cost than the CPI. Over 10 years, the Town has run at a combined interest of about 2.8% over the CPI, which is very commendable. Debt and transfers is reduced by about \$108,000 this year. In revenues and transfers, the net decrease is just shy of \$1 million. Mr. Johnson explained that when the new mortality tables were implemented, he recommended an increase of a transfer in, which would gradually be reduced by \$100,000 a year. However, given the reduction in the combined non-tax revenues, the funding source will not be reduced. He then noted the decrease in the ECS funding and the reduction in investment income before speaking to the grand list, mill rate and state aid. He reviewed the CIP, saying that it is the heart of the infrastructure of the community, with 30 projects this year.

Mr. Johnson concluded by stating that this has been a particularly difficult year, due to COVID-19. He thanked his staff for their creativity, efficiency, and hard work in putting together this budget, especially Julie Twilley, Director of Finance, and Kathryn Paquette, Marketing Communications Coordinator.

b. Education Operating Budget. (Superintendent of Schools and Board of Education Chairman)

Board of Education Chairman Doug Foyle explained that this year's theme for Glastonbury Public Schools is Renew and Reimagine. COVID-19 has forced them to renew and reimagine almost everything they do, but their mission has remained the same, which is to safely meet the needs of students, faculty, and staff. Superintendent Dr. Alan Bookman explained that their practices have evolved rapidly as a result of the pandemic, such as incorporating Zoom and iPads into their curriculum. Their budget focuses on five areas: academic support and interventions, social and emotional wellness, equity and social justice, technology integration, and the early learning center which opened in August 2020. He reviewed their projections on enrollment and staffing for the schools.

Mr. Foyle discussed the annual fixed costs. Contracted salary increased the budget by 1.81%, health benefits by 0.13%, and utility increases by a modest 0.15%. There is no increase expected in special education because of the LINKS program. Everything else decreases their budget by 0.02%, resulting in an overall budget increase of 2.07%, which is the lowest increase since 1992. Dr. Bookman explained that they are doing excellent in terms of per pupil expenditures in DRG B. They are proud to have been ranked one of the top 200 school districts in the entire country. Mr. Foyle stated that they have also received considerable praise from parents for their handling of the pandemic. He thanked students, families, teachers, and the entire Glastonbury community for their relentless positive spirit. Dr. Bookman also thanked Town staff for all of their hard work and support in putting together this budget.

8. a. Public Comments.

No one spoke

Mr. Niland asked all residents present to express their opinion on the proposed budget, which provides guidance to the Town Council in their deliberations. There were no spoken or written comments.

b. Public vote to express an opinion on the proposed budget for the guidance of the Town Council. (Section 703 of the Town Charter).

Mr. Niland asked all residents to vote on whether or not they accept the proposed budget. The yea votes outnumbered the nay votes by a ratio of 17:1.

9. Adjournment.

Motion By: Ms. Carroll

Seconded By: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council hereby adjourns their Annual Town Meeting of January 27, 2021, at 7:56 pm.

Result: Motion passes unanimously {9-0-0}.

Respectfully submitted,

Lilly Torosyan

Lilly Torosyan

Recording Clerk

Thomas Gullotta

Chairman

**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
MONDAY, FEBRUARY 1, 2021**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a special meeting at 3:30 p.m. via dial-in conferencing.

Roll Call

Members

Mr. Constantine "Gus" Constantine, Chairman
Ms. Jennifer Sanford, Vice Chairman
Mr. James McIntosh
Mr. Walter Cusson
Mr. James Zeller
Mr. Robert Lynn

- 1. Public Comment Session Pertaining to the Call** *None*
- 2. Budget Reviews:**

Mr. Johnson reviewed the Town operations budget, which is proposed to increase by 1.7%, of which 1.47% is the ADC to the pension plan. The pension component is a significant chunk of the budget increase, so Town operations are very modest. He reviewed the components of the remaining 0.23%, of which 0.8% is due to wage increases; data processing, which accounts for a modest 0.27%; and contractual services, which accounts for 0.11%. Health insurance, utility consumption, and capital outlay saw a savings of 1.1%, 0.12%, and 0.04% respectively from last year. All other costs accounted for about \$125,000, or 0.25%, of the increase to the budget. The anticipated rate of return is sustained at 6.5%.

Mr. Zeller is uncomfortable with pulling out certain costs that are within their control to show that they have achieved savings. Mr. Lynn agreed that it is not quite apples to apples. If they had made the appropriate pension payments years ago, they would not have been in this position. Mr. Johnson explained that, barring one year, in 2010, Glastonbury has always funded their pension ADC. That one exception was due to the recession and was funded over two years. Ms. Sanford added that it is not just about funding but also the new mortality tables and the model assumptions which have changed.

Ms. Sanford then noted that the decline in the insurance line item seems to be subsidizing the wage increases this year and she wondered whether that would pose a problem in future years. Mr. Johnson explained that the insurance helped offset a \$663,000 increase in the pension ADC, whereas last year, they did not have those savings and they absorbed a greater fee for the ADC. However, his concern is that they might see a post-COVID bump in claim costs.

Mr. Johnson then reviewed the debt and transfers, noting that debt service increased by about \$28,000. The sewer operating fund has had a modest decrease, and the Capital Reserve Transfer has not changed from last year, remaining at \$5.75 million. Mr. Zeller asked if they have the legal ability to loan themselves out of the fund balance, issue debt, and then pay themselves back at whatever interest rate. In other words, could they issue bonds to themselves, instead of going out to the bond market?

Mr. Cusson understood the approach, but due to the current low interest rates, he does that find that option feasible to pursue at this time. Instead, he proposed looking at this as a unique opportunity to borrow cheaply. Mr. Lynn agreed, stating that he would support looking into how they can bond more and how they can raise their pension up to 75%. Mr. McIntosh noted that the state limits investment in the General Fund, so they cannot achieve a 6% return that way; however, they can borrow for capital items at a very low rate and put the money in their pension fund, which they anticipate receiving more than a 6% return, in order to reduce their annual contribution to the pension fund. Mr. Lynn agreed with that approach.

Mr. Johnson then reviewed the proposed revenues, noting that taxes will go up 2.5%, which includes the growth from the grand list. There is a combined decrease of about \$982,000 from non-tax revenue, which is close to 0.25 of a mill. Mr. Johnson explained that this is a significant impact on the tax rate this year. The reductions are due to three things: educational cost sharing, notably the decrease in the ECS annual funding; a decrease in investment income; and the unassigned fund, which is proposed to stay flat at \$975,000. Mr. McIntosh noted that the projected general fund balance was \$23 million in 2018, but now, it is \$30 million. He asked if it really did jump that much in just three years. Mr. Johnson and Ms. Twilley agreed to take a look at it and report back.

Mr. Johnson stated that the Grand List increased by 0.93%, which brings about \$1.327 million in new tax revenue. The mill rate would increase 1.76% to 37.55. He noted that the \$1 million decrease between the ECS and the investment income is a significant factor for this. The pension investment assumption leaves \$150,000 to be reallocated, which the Town Manager proposed could be done in the following way(s): \$75,000-\$100,000 in health insurance; \$25,000-\$50,000 in capital outlay; \$25,000 for technology-HRIS; and \$10,000-\$20,000 for legal services.

Mr. McIntosh then asked a series of questions about specific line items in the budget. He asked if it makes sense to have the fire chief position, which is proposed to go to full time, instead be a shared responsibility with other nearby communities. Mr. Johnson replied no, other towns will not change up their structures to assume Glastonbury's responsibility. He also noted that there were three full time fire chiefs in Town until 2008, and the current Chief will be taking on other responsibilities, as well. Mr. McIntosh asked what the duties of the park ranger are. Mr. Johnson explained the background behind this position, noting that, for years, community services officers within the Police Department would monitor Town parks. However, they decided to de-police the role and went with a park ranger instead. Mr. McIntosh asked about the Everbridge Notification

System. Mr. Johnson explained that it gives the Town their own Reverse 911 system to get messages out to the public, so that they are not encumbered by the state system. It is a modest cost of \$13,000 per year. Mr. McIntosh then asked about the unevenness for increases for wages of certain employees this year. Mr. Johnson explained that it could be because some employees were on the merit plan and others were not. Mr. Johnson noted that the CIP is grouped into three categories: infrastructure and major equipment, ongoing projects and initiatives, and new projects and proposals. The net estimated capital reserve funding is about \$6.485 million. Ms. Sanford asked about the total cost of the field house project. Mr. Johnson stated that it will run about \$2.5-\$2.6 million.

Mr. Lynn reiterated that they should look into bonding, so long as they put in a commensurate amount into the pension to shore up the unassigned fund balance. Mr. Zeller asked Mr. Johnson to put together a package showing for which projects they could legitimately go out to bond and what that would cost. He also asked the Board for their opinions and consensus before moving forward with such an approach. Mr. Johnson explained that there are a lot of moving parts here, and sustainability is crucial. Mr. Cusson liked Mr. Johnson's approach. Mr. McIntosh expressed interest in helping the Town Manager develop such an option. Mr. Johnson agreed to provide a review with a few potential scenarios at the Board's February 8, 2021 meeting.

- 3. Action:** Reschedule Public Hearing from February 3 at 3:30 PM to February 8 at 3:30 PM via Zoom Video Conferencing.

Motion by: Mr. McIntosh

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby reschedules the public hearing from February 3 at 3:30 PM to February 8 at 3:30 PM via Zoom Video Conferencing.

Result: Motion passes unanimously {6-0-0}.

- 4. Action:** Transfer for GHS Fieldhouse - \$360,000

Mr. Johnson explained that in order to award the contract, they fall short \$360,000. If the project is to go forward, they would like to execute the contracts now, so that they can complete the project by August 2021.

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby transfers \$360,000 from the Capital Reserve - Unassigned Fund Balance to the Capital Projects - GHS Fieldhouse.

Result: Motion passes unanimously {6-0-0}.

- 5. Discussion and Possible Action:** Transfer for Automated Building Permitting Software

Mr. Johnson explained that this action is out of the ordinary. The Town once participated in a

test site project where they received software at a 50% discount. However, the vendor moved away, and the information was not current, so they vetted a number of new vendors with this software and ongoing maintenance. Their current vendor is not meeting a number of their needs, so a new option has been identified. Mr. Johnson noted that no additional funding will be necessary because they put together \$60,000 of internal savings. This action would simply be a transfer between a couple of accounts to discontinue the current vendor and move to a firm that would meet their standards. Mr. Zeller asked for the usual explanation/background form to be attached to this request. Mr. Johnson stated that Ms. Twilley will amend the agenda for Wednesday's meeting to include the form. The Board agreed to proceed that way.

6. Communication: Capital Program – Bonding

Mr. Johnson explained that the communication is from Councilmember Cavanaugh, who asked the Board if there is a way to explore bonding for capital projects that is more of an open-ended bond authorization. Mr. Johnson noted that this is a good concept to consider for ways to handle borrowing.

7. Adjournment

Motion by: Mr. Zeller

Seconded by: Mr. Cusson

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of February 1, 2021, at 6:30 p.m.

Result: Motion passes unanimously {6-0-0}.

Respectfully submitted,

Lilly Torosyan
Lilly Torosyan
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.

BOF 3/17/21
Item # 14a.v.

**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
WEDNESDAY, FEBRUARY 3, 2021**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a special meeting at 3:30 p.m. via dial-in conferencing.

Roll Call

Members

- Mr. Constantine "Gus" Constantine, Chairman
- Ms. Jennifer Sanford, Vice Chairman
- Mr. James McIntosh
- Mr. Walter Cusson
- Mr. James Zeller
- Mr. Robert Lynn

1. **Public Comment Session:** Comments pertaining to the call *None*

2. **Communication:** Education Operating Budget

BOE Chairman Doug Foyle explained that their budget is the lowest increase proposed since 1992. The bulk of the increase is due to contracted salary increases for personnel. The budget is at a level trend line. Ms. Sanford asked if we are taxing our citizens properly. She then asked what the pace of implementing STEAM is. Dr. Foyle stated that many of the things they planned this year slowed down because of the pandemic. There were a number of one-time savings achieved, but a small fortune was spent on the PPE, for example. Dr. Bookman agreed with Dr. Foyle about the unexpected effects of the pandemic on their budgetary plans. He then added that there are plans to spend the STEAM money this year to buy additional equipment, but it is in process. Ms. Sanford asked for a list of specific budgetary items that were affected by the pandemic. Dr. Foyle replied that those were included in the material for their meeting with the Council, which can be accessed online.

Mr. Zeller expressed concern that the BOE typically does not spend over the budget that the BOF allocates them every year, but they still ask for more. He also stated that their per pupil increases are higher than their year over year increases. He then asked about Dr. Bookman's earlier comments about how the Special Education budget would not increase this year. Dr. Bookman clarified that the increase was due to wages and increases, but Mr. Zeller responded that citizens were left with the impression that Special Education was not going to grow, which is not the case. Mr. Zeller then pointed out that comparing Glastonbury's per pupil expenditure to those of towns in Fairfield County and the Gold Coast is not a good reflection of

Glastonbury's actions to save money. He noted that when compared to comparable towns in the DRG, Glastonbury is the second most expensive in per-pupil expenditure, after Simsbury. Dr. Foyle replied that, in comparison to Glastonbury's most similar towns (Avon, Farmington, Simsbury, and sometimes West Hartford), there is little variation between them in per pupil costs.

Ms. Sanford asked if other towns have similar types of revenue-enhancing programs, like LINKS, or is it inappropriate to compare. Dr. Bookman stated that it varies from town to town, so to make an apples-to-apples comparison based on that is difficult. Mr. Zeller asked to be emailed the state information on DRG. Dr. Bookman agreed to send it to Chairman Constantine. Mr. Zeller remarked that it would be helpful to see the measure of performance going back ten years instead of a five-year average.

Mr. Zeller asked about hiring someone dedicated to studying the area of diversity. Dr. Foyle stated that 40% of Fortune 500 companies have someone who does this; Farmington has hired someone, and West Hartford has two people, so they are behind their peers on this. Mr. Zeller asked if the BOE would limit the pension to not extend the legacy plan for this professional. Dr. Bookman stated that they do not have a hybrid plan for their nine professional personnel, so unless that changes, they would not do that. Mr. Zeller concluded that he was impressed by the BOE's interest in the need to take greater risk, particularly in the funding of health insurance. Dr. Foyle stated that he is looking for guidance from the BOF at what level of reserve would be prudent to draw down on and how much that should be. Ms. Sanford stated that is a good discussion. She views the cash in the account as insurance that must be weighed against taxing citizens.

Mr. Cusson commended the BOE, the Superintendent, and their staff for meeting the challenges that were posed by the pandemic. Mr. Lynn echoed Mr. Cusson's statement. While he is concerned about the cost to taxpayers, he will share those thoughts later on. Mr. McIntosh asked a series of questions, including why the retirement classified (under benefits) is up 8.81%; if the workers' compensation increase is related to COVID-19; why equipment operations and maintenance is up 215%; and if the projected \$40,000 savings in energy will show up in the kilowatt hours or not. Dr. Bookman stated that he will check on these items and report back.

Ms. Sanford remarked that retirement and pension benefits are growing in double digits, whereas wages are growing more linearly. She asked what the Superintendent's thoughts are on this. Dr. Bookman stated that they adhere to whatever the Town Manager tells them they need to contribute to the pension. Dr. Foyle added that there are three moving components to the pension, and they are always actively evaluating whether those factors all suggest that this is the right place to be.

Mr. Constantine asked what they see as the future of transportation. Dr. Bookman stated that some students attend school exclusively virtually and, in general, school bus use has been discouraged this year, because of the pandemic. If COVID-19 is still a factor next year, they are unsure what to do on Wednesdays.

3. Communication: Education Capital Projects

Dr. Bookman noted that they have corrected the fiscal year listed on the document, which was incorrect before. He then briefly reviewed the CIP projects proposed. There were no questions from the Board.

4. Communication: Discussion regarding FY 2021-2022 Operating, Capital and Revenue Budget Proposals

Ms. Sanford asked about Milliman's answer to the suggestion of adding \$1 million to the pension and the impact to the liquidity. Mr. Johnson stated that he will ask Becky Sielman in the morning about the liquidity question and she may join the Board on their February 17, 2021 meeting.

5. Action: Transfer for Automated Building Permitting Software

Motion by: Mr. Zeller

Seconded by: Mr. Cusson

BE IT RESOLVED, that the Glastonbury Board of Finance hereby transfers \$60,000 from the Health - Full Time Wages and Fire Marshal - Part Time Wages accounts to the Community Development - Office Equipment/Furniture account.

Result: Motion passes unanimously {6-0-0}.

6. Action: Confirm date for BOF Special Meeting for BOF to Propose Budget to Council, if not done on February 8.

Motion by: Mr. Zeller

Seconded by: Mr. Cusson

BE IT RESOLVED, that the Glastonbury Board of Finance hereby schedules the BOF Special Meeting for BOF to Propose Budget to Council on February 17 at 3:00 PM, if not done on February 8.

Result: Motion passes unanimously {6-0-0}.

7. Adjournment

Motion by: Mr. Cusson

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of February 3, 2021, at 5:29 p.m.

Result: Motion passes unanimously {6-0-0}.

Respectfully submitted,

Lilly Torosyan
Lilly Torosyan
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.

**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
MONDAY, FEBRUARY 8, 2021**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a special meeting at 3:30 p.m. via dial-in conferencing.

Roll Call

Members

Mr. Constantine "Gus" Constantine, Chairman
Ms. Jennifer Sanford, Vice Chairman
Mr. James McIntosh
Mr. Walter Cusson
Mr. James Zeller
Mr. Robert Lynn

1. **Public Comment – 3:30 p.m. – Town Operations, Debt and Transfer, Education, and Revenues and Transfers Fiscal Year 2021-2022** *None*
2. **BOF Special Meeting regarding Budget - to start immediately following the conclusion of the Public Hearing** *See next agenda*
3. **Adjournment**

Motion by: Mr. Zeller

Seconded by: Mr. Cusson

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn the public hearing of February 8, 2021, at 3:33 p.m.

Result: Motion unanimously passed {4:0 - Board members Sanford and McIntosh were having technical difficulties and were unable to connect to the Audio of the Zoom meeting} to close the public hearing.

Respectfully submitted,

Lilly Torosyan

Lilly Torosyan
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.



**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
MONDAY, FEBRUARY 8, 2021**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a special meeting at 3:30 p.m. via dial-in conferencing.

Roll Call

Members

- Mr. Constantine "Gus" Constantine, Chairman
- Ms. Jennifer Sanford, Vice Chairman
- Mr. James McIntosh
- Mr. Walter Cusson
- Mr. James Zeller
- Mr. Robert Lynn

1. Public Comment Session - Comments pertaining to the call. *None*
2. Presentation and Discussion Concerning Review of Bonding for CIP and Pension Funding Options

Mr. Johnson presented a series of slides detailing two possible scenarios for pursuing borrowing, which was discussed at the last Board meeting. Mr. Johnson noted that Ms. Sanford had asked a question on supplemental appropriation. He detailed a list of supplemental transfers and appropriations that were made to the General Fund and the Capital Reserve Fund between March 2020 and February 2021, totaling just over \$1 million, accounting for grants. Mr. Johnson then reviewed the pension history, noting that the only year the ADC was not funded 100% was in 2009-10, when it was phased in over two years.

Mr. Johnson explained that each one-eighth percent ROR reduction equals \$440,000. The budget is presented at 6.5%. Each 1% increase on the funded ratio totals about \$2.37 million. About every \$1 million in lump sum equals just \$100,000 in ADC. Projected interest rate on a pension obligation bond is 2.5%-2.75%. Mr. Johnson stated that if the Board would like to fully fund the plan through a pension obligation bond with a snapshot of today, voters would be asked to approve a \$74.4 million bond authorization.

Mr. Johnson reviewed two scenarios on borrowing for capital projects, which included two different lists of items (with some overlap) that could be bonded. The first scenario totaled about \$10 million; the second about \$12.5 million. He then reviewed two funding / borrowing options: reallocating savings and making a lump sum payment to the pension. Funding or borrowing via reallocated savings would entail a \$2 million shortfall for capital projects in years 6-20, with \$600,000 to \$800,000 a year for debt service. Funding or borrowing via a lump sum to the pension fund would assume that a 2% borrowing rate is available for five years. The borrowing would generate a \$250,000 annual shortfall for capital projects in years 6-20. The debt service would also run at \$600,000 to \$800,000 per year.

Mr. Lynn stated that it makes sense to issue a one-time \$11 million bond and not change what they want to put away for future years. Mr. McIntosh remarked that they cannot ignore the capital projects that are required. Mr. Zeller shared his thought that the capital transfer could decrease to \$5 million, and there would be no impact to the mill rate, while the pension ROR assumption would be reduced.

Mr. McIntosh stated that there is merit to some of the thoughts discussed tonight, but more work needs to be done before implementing any action. He suggested the Board forward a note to the Council stating that the Board is taking a detailed consideration of borrowing for future projects, but not for this budget cycle. Mr. Zeller countered that they have been recommending bonding as an alternative for two or three years now, so he feels obligated to send the Council a budget with the pension problem at the forefront. Ms. Sanford asked her colleagues whether they feel that there is sufficient cash in the cash account and what they should do with such a high cash account. She understands that they have limited land sales in the future, but it still feels high to her. Mr. Johnson cautioned that reducing the capital transfer and then incurring additional debt is a cost that should net against the savings that will be achieved. He is looking at the true savings of a particular action, so they have to be wary of the cost of money. Whether the Board chooses to borrow \$12.5 million and reduce the capital transfer or borrow \$2.5 million a year over five years, once year six rolls around, there will be a need to reestablish the capital transfer to fund capital projects; at which point, he asked, what will the Board do?

Mr. McIntosh asked, if they deposit funds in the pension account, are they legally prevented from removing them. Mr. Johnson stated they do not remove them, but he will check on the legality. Mr. McIntosh stated that Ms. Sanford's concern is that they have too much unallocated money in the general fund. He suggested the Board move the money into the pension fund, where it will receive a higher rate of interest, and then move it back. Mr. McIntosh also stated that he believes that Mr. Johnson's analysis is flawed because he considers the payment of principal and interest on the bond as an additional obligation, which it is not. What they really have is a form of debt and bonding will be turning it into another form of debt. He concluded by stating that the Board lacks a consensus, so they should do a lot more work before making a recommendation to the Council for bonding on this year's budget.

Mr. Cusson stated that this budget does not show the dollar amounts but percentages in the fund balance projections. He countered Ms. Sanford's point that there is an ample amount of cash in the cash account, noting that it is kind of tight because if operating budgets continue to increase at the rate that they are, they will need more and more cash as a percentage against that. Ms. Sanford acknowledged that, but countered that, at some point, the spending has to stop. The town pension liability needs to be front and center. Mr. Cusson finds it important that they maintain the fund balance as well as they can because of the future impact it will have on their budgets. He noted that the Town Manager's scenarios do not really impact this undesignated fund balance.

Ms. Sanford commented that the action to lower the ROR from 6.5% to 6.25% has been on hold for three years. From a philosophical perspective, she does not understand why they cannot lower it. In the next 10-15 years, they need to be more realistic with their assumed rate of return. Mr. Johnson clarified that the \$975,000 of opening cash does not apply to the Town operating

budget. It is a revenue that is applied to offset the entire budget. It is not assigned to any particular line item. Use of opening cash is a way to use the unassigned fund balance to help moderate the tax increase.

Mr. Lynn supports GFOA best practices, so if two months for a rainy-day fund is best practices, so be it; however, he agrees with Ms. Sanford that they should lower the rate of return expectation, too. He stated that the Board's biggest responsibility as fiduciaries is to make sure that it is realistic for the long term. Mr. Zeller asked Mr. Johnson to adjust his presented scenarios to reflect a 6.25% or 6.375% return and see how much more it will cost, as well as to provide his best estimate on the sweet spot. Mr. Johnson explained that it is in the neighborhood of \$400,000-\$440,000 for every 1/8 of a percentage point reduction in the rate of return. Town operations would need to go up \$300,000 to incorporate the 6.375% and there is \$150,000 toward that right now. He agreed to recalculate the rate of return at 6.375% instead of 6.5%. Mr. Johnson noted that by borrowing for the capital program, it would be very difficult to meaningfully influence the funded ratio because of the size of the numbers.

The Board reached a consensus to hold off on recommending a budget until their next meeting on February 17, 2021. Chris Kachmar and Becky Sielman will join the Board at 3:00 P.M. that day. Mr. Johnson agreed to look at a couple of other concepts to present at that meeting. Ms. Sanford asked if Town staff are worried about inflation. Mr. Johnson stated that they do consider the influence on buying power and that, creep is a factor, but for the purposes of leaving it straight, they left it flat in this analysis.

3. Potential for Any Unfinished Business – FY21/22 Budget *None*
4. Possible Action: The Board of Finance pursuant to Section 605 of the Town Charter submits to the Glastonbury Town Council the following proposals: *Postponed.*
 - A. Action: Propose to Town Council FY21/22 Town Operating Budget
 - B. Action: Propose to Town Council FY21/22 Education Budget
 - C. Action: Propose to Town Council FY21/22 Debt & Transfers Budget
 - D. Action: Propose to Town Council FY21/22 General Fund Revenues & Transfers Budget
 - E. Action: Propose to Town Council FY21/22 Capital Improvement Program Budget, including Capital Reserve Fund, Town Aid Road and Sewer Sinking Fund
 - F. Action: Propose to Town Council FY21/22 Special Revenue Funds, including:
 - i. Sewer Operating Fund Budget
 - ii. Recreation Activities Fund Budget
 - iii. Police Private Duty Fund Budget
 - iv. Riverfront Park Fund Budget
 - v. Bulky Waste Closure Fund Budget
5. Possible Action: Confirmation of next Special Board of Finance meeting date/time, if Actions above deferred. *Postponed.*

6. Adjournment.

Motion by: Mr. Zeller

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of February 8, 2021, at 5:30 p.m.

Result: Motion passes unanimously {6-0-0}.

Respectfully submitted,

Lilly Torosyan

Lilly Torosyan
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.

DEPARTMENT OF FINANCE & ADMINISTRATIVE SERVICES

BOF 3/17/21
Item # 14b

February 3, 2021

TO: Board of Finance & Richard J. Johnson, Town Manager
 FROM: *QST* Julie Twilley, Director of Finance & Administrative Services
 RE: Pension Investment Review – **December 2020**

As of December 31, 2020 the pension asset value is \$196,258,328, a net increase of \$34,232,936 from July 1, 2020. Through the month of December, the fund experienced an unrealized gain of \$24,827,188, which is indicative of the current market and there were realized gains of \$2,561,546. Investment income through December totaled \$1,582,928.

July 1, 2020 Balance	\$	162,025,392
Revenues:		
Employer Contributions	\$	9,880,190
Employee Contributions	\$	1,029,234
Total Contributions	\$	10,909,424
Investment Income	\$	1,582,928
Realized Gains/Losses	\$	2,561,546
Unrealized Gains/Losses	\$	24,827,188
Total Revenues	\$	39,881,086
Expenditures:		
Benefit Payments	\$	5,485,664
Administrative Fees	\$	94,909
Investment Management Fees	\$	67,577
Total Expenditures	\$	5,648,150
Net Increase/Decrease	\$	34,232,936
Ending Balance November 30, 2020	\$	196,258,328

Assuming a 6.5% long-term return on the plan's investments, the July 1, 2019 Unfunded Accrued Liability is \$74.9 million (GASB 68 financial reporting basis) and the corresponding funded ratio is 67.3%. The Town's policy for paying off the unfunded liability is such that there are 14 years remaining in our amortization schedule.

cc: Narae McManus, Controller
 Karen Bonfiglio, Finance Manager, Glastonbury Public Schools

Town of Glastonbury

Administrative Services
Accounting Division

January 15, 2021

To: Board of Finance
Richard J. Johnson, Town Manager

From: Narae L. McManus, Controller

Subject: Monthly Investment Status

Pooled Investments

The Town’s pooled cash investment balances at December 31 were \$95,800,919. As of month-end, the investment balances for all funds combined were as follows:

Type of Investment	Amount	Rate	
STIF	\$ 8,386,945	0.07	
Citizens Bank	1,223,242	0.15	
Northern Capital Investment Account	11,655,670	0.25-3.40	Est. current accrued interest \$17,316
Northern Capital Sewer Funds	9,396,346	0.25-3.15	Est. current accrued interest \$10,319
People’s United Investments	40,634,433	0.20	
Liberty Bank Investments	11,006,335	0.20	
TD Bank Investments	488,972	0.15	
Liberty Bank CD	5,003,576	0.30	Matures 04/16/21
TD Bank CD	8,005,400	0.20	Matures 02/12/21
Total	<u>\$95,800,919</u>		

General Fund Earnings

- The General Fund portion of pooled investments at December 31 was \$60.2 million.
- As of December 31, the General Fund has realized investment earnings of \$96,671.
- As of December 31, Sewer Sinking funds totaling \$9,373,000 were invested in fully-insured CDs with terms varying from 6 months to seven years, with current-year realized investment earnings of \$55,604.

Comparative information concerning General Fund earnings follows.

Fiscal Year	Budget	Realized Investment Earnings July-December	Percent of Budget
2020	\$1,500,000	623,960	41.60%
2021	838,000	96,671	11.54

cc: Julie B. Twilley, Director of Finance

TOWN OF GLASTONBURY
ADMINISTRATIVE SERVICES - Financial Administration

BOF 3/17/21
Item # 14d

February 10, 2021

TO: Board of Finance and
 Richard J. Johnson, Town Manager

FROM: *JBT* Julie Twilley, Director of Finance & Administrative Services

RE: Financial Summary for the Seven Months Ended January 31, 2021 (FY 2020/21)

Note that some variances to budget and prior year are a result of the COVID-19 pandemic. Efforts are on-going to reduce non-business critical expenditures to help offset reductions in revenues.

Expenditure Summary:

Through January 31, 2021, encumbrances total \$53.9m and expenditures total \$92.2. Combined, this represents 85% of the Town's revised general fund budget of \$171.9m. This compares to \$51.3m and \$90.0m respectively, or 85%, for the same period in the prior year.

The expenditure increase of \$2.2m is largely driven by the annual Pension contribution, which increased largely due to the implementation of the PUB-2010 Mortality Tables. The year-over-year increase in Pension contribution for the Town was \$1.1m and for Education was \$0.5m. Note that the assumed long-term rate of return on investments was held at 6.5% in FY2020/2021 and the amortization period set at 14-years. Also contributing to the increase is higher wage rates.

Below is an Expenditure & Transfer summary report through January 31, 2021.

FINANCIAL COMPARISONS

The below comparison includes Education encumbrance amounts not reflected in the Town's system Reports.

Fiscal Year	Amend/Budget	Expended	Encumbered	Comit %
<u>2019/2020</u>				
Town	\$ 43,592,562	\$26,078,269	\$ 8,552,704	79%
Education	108,699,846	54,692,957	38,393,987	86%
Debt/Transfers	13,973,755	9,203,232	4,343,656	97%
<u>2020/2021</u>				
Town	\$ 45,784,716	\$26,598,831	\$ 9,765,326	79%
Education	111,754,046	55,831,517	39,924,564	86%
Debt/Transfers	14,331,799	9,765,470	4,173,977	97%

Expenditure comparisons of the three major Town Departments are presented below:

	2019/2020	%	2020/2021	%
ADMIN SERVICES	\$ 3,713,262	59%	\$ 4,218,812	62%
PUBLIC SAFETY	9,044,305	62%	9,768,323	62%
PHYSICAL SERVICES	4,486,397	60%	4,082,427	55%

cc: Karen Bonfiglio, Finance Manager; Narae McManus, Controller

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2021 THROUGH JANUARY 31 2021

FUND 010 - GENERAL FUND

Description	2021 ORIGINAL BUDGET	2021 REVISED BUDGET	FY2021 THRU JANUARY	2021 ENCUMB	AVAILABLE BALANCE	2021 % USED
GENERAL GOVERNMENT						
TOWN COUNCIL	141,507	146,007	107,370	5,835	32,801	77.5%
CUSTOMER SERVICE	63,179	63,179	33,747	296	29,136	53.9%
TOWN MANAGER	638,161	798,586	354,641	167,016	276,929	65.3%
HUMAN RESOURCES	549,746	549,746	293,269	127,203	129,275	76.5%
FACILITIES MAINTENANCE	1,961,262	1,992,177	1,094,713	413,200	484,264	75.7%
TOTAL GENERAL GOVERNMENT	3,353,855	3,549,695	1,883,740	713,550	952,405	73.2%
COMMUNITY DEVELOPMENT						
COMMUNITY DEVELOPMENT	600,358	601,558	343,627	163,472	94,460	84.3%
BUILDING INSPECTION	554,679	587,854	320,866	183,663	83,325	85.8%
FIRE MARSHAL	375,905	374,705	216,550	84,212	73,943	80.3%
HEALTH	755,234	755,234	387,264	161,063	206,907	72.6%
TOTAL COMMUNITY DEVELOPMENT	2,286,176	2,319,351	1,268,307	592,409	458,634	80.2%
ADMINISTRATIVE SERVICES						
FINANCIAL ADMINISTRATION	645,603	664,843	346,100	217,890	100,853	84.8%
INFORMATION TECHNOLOGY	1,018,641	1,026,641	589,919	294,845	141,877	86.2%
ACCOUNTING	427,845	428,505	229,204	126,210	73,091	82.9%
PROPERTY ASSESSMENT	630,733	630,733	396,741	143,121	90,871	85.6%
REVENUE COLLECTION	489,616	489,616	292,752	141,769	55,094	88.7%
TOWN CLERK	545,271	633,997	408,178	128,653	97,166	84.7%
VOTER REGISTRATION	179,867	201,102	152,749	329	48,023	76.1%
LEGAL SERVICES	300,000	300,000	156,715	108	143,177	52.3%
PROBATE SERVICES	24,800	24,800	6,435	11,014	7,352	70.4%
INSURANCE/PENSIONS	2,361,331	2,361,331	1,640,020	181,234	540,077	77.1%
TOTAL ADMINISTRATIVE SERVICES	6,623,707	6,761,568	4,218,812	1,245,174	1,297,582	80.8%
PUBLIC SAFETY						
POLICE	14,156,194	14,409,232	9,155,585	3,278,916	1,974,732	86.3%
VOLUNTEER AMBULANCE	-	-	11,578	-	(11,578)	0.0%
FIRE	1,224,288	1,225,463	587,862	193,135	444,467	63.7%
CIVIL PREPAREDNESS	33,732	33,732	13,298	150	20,284	39.9%
TOTAL PUBLIC SAFETY	15,414,214	15,668,427	9,768,323	3,472,200	2,427,904	84.5%
PHYSICAL SERVICES						
ENGINEERING	1,613,071	1,613,071	968,065	468,564	176,443	89.1%
HIGHWAY	4,559,588	4,559,588	2,470,585	892,060	1,196,944	73.7%
FLEET MAINTENANCE	1,287,972	1,287,972	643,777	287,771	356,424	72.3%
TOTAL PHYSICAL SERVICES	7,460,631	7,460,631	4,082,427	1,648,394	1,729,810	76.8%

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2021 THROUGH JANUARY 31 2021

FUND 010 - GENERAL FUND

Description	2021 ORIGINAL BUDGET	2021 REVISED BUDGET	FY2021 THRU JANUARY	2021 ENCUMB	AVAILABLE BALANCE	2021 % USED
SANITATION						
REFUSE DISPOSAL	996,357	997,082	542,647	239,279	215,156	78.4%
TOTAL SANITATION	996,357	997,082	542,647	239,279	215,156	78.4%
HUMAN SERVICES						
CONTRIBUTORY GRANTS	32,577	32,577	32,577	-	-	100.0%
YOUTH/FAMILY SERVICES	1,553,103	1,553,103	749,034	310,019	494,050	68.2%
SENIOR & COMMUNITY SERVICES	1,465,253	1,503,653	711,114	209,532	583,006	61.2%
TOTAL HUMAN SERVICES	3,050,933	3,089,333	1,492,725	519,551	1,077,057	65.1%
LEISURE/CULTURE						
PARKS/RECREATION	3,950,817	4,080,016	2,350,023	894,770	835,223	79.5%
WELLES TURNER LIBRARY	1,843,614	1,843,614	976,827	439,998	426,790	76.9%
SOUTH GLASTONBURY LIBRARY	7,500	7,500	7,500	-	-	100.0%
EAST GLASTONBURY LIBRARY	7,500	7,500	7,500	-	-	100.0%
TOTAL LEISURE/CULTURE	5,809,431	5,938,630	3,341,849	1,334,768	1,262,013	78.7%
OTHER:Debt & Transfers						
DEBT SERVICE	7,076,799	7,076,799	2,548,124	4,173,977	354,698	95.0%
TRANSFERS	6,605,000	7,255,000	7,217,346	-	37,654	99.5%
TOTAL OTHER:Debt & Transfers	13,681,799	14,331,799	9,765,470	4,173,977	392,352	97.3%
EDUCATION						
EDUCATION	111,754,046	113,267,802	56,555,807	393	56,711,602	49.9%
TOTAL EDUCATION	111,754,046	113,267,802	56,555,807	393	56,711,602	49.9%
TOTAL 010 - GENERAL FUND	170,431,149	173,384,317	92,920,108	13,939,696	66,524,513	61.6%

TOWN OF GLASTONBURY

ADMINISTRATIVE SERVICES - Financial Administration

February 10, 2021

TO: Board of Finance
FROM: *JBT* Julie Twilley, Director of Finance & Administrative Services
RE: Capital Projects Fund Expenditures Report
For the Period Ended January 31, 2021 (FY 2020/2021)

The funding presented on this statement has been authorized by referendum, the annual Capital Improvement Program and additional appropriations from the Capital Reserve Fund balance as noted below. The Capital Program designation includes funding resources of the Capital Reserve Fund, Sewer Assessments Fund, or Sewer Operating Fund and grants. In some cases, funding resources may also be provided from General Fund fund balance.

Current appropriated funding for all Capital projects as indicated on the January 31, 2021 report is **\$96.7m**.

Expenditures for current projects since inception through January 31, 2021 total **\$77.7m**. Encumbrances outstanding total **\$6.5m**. The most significant encumbrances are for Welles Turner Library Renovation (\$4.4m), the Fire Department Self Contained Breathing Apparatus (\$0.5m), Bridge Replacement/Rehabilitation (\$0.3m) and Hebron Ave. / House Street Improvements (\$0.2m).

Capital expenditures through the month of January totaled **\$7.8m** and were for Glastonbury Blvd paving, the GHS Kitchen Upgrades, Bridge Replacement/Rehabilitation, Road Overlay, the Multi-Use Trail, and other capital projects.

Attachment

Cc: Richard J. Johnson, Town Manager
Narae McManus, Controller
Karen Bonfiglio, Finance Manager, Board of Education

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2021 THROUGH JANUARY 31 2021

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2021 THRU JANUARY	2021 ENCUMB	AVAILABLE BALANCE
FUND 301 - CAPITAL RESERVE PROJECTS					
GenGovt/Public Safety (31006)					
51825 Academy Re-Use Phase One	2,221,238	2,219,672	-	-	1,566
51827 Town Buildings Security	675,000	539,048	29,602	2,195	133,757
51828 Facilities Study	70,000	-	-	-	70,000
51833 Disaster Prep/Recovery Resourc	884,000	883,866	-	-	134
51835 Fire Co Renovations/Code Compl	510,960	285,245	22,662	7,619	218,096
51836 Self Containd Breath Apparatus	520,000	-	-	520,788	(788)
51849 Public Safety Communications	890,000	397,516	-	-	492,484
51854 Police Building Windows	142,500	88,301	80,085	55,852	(1,653)
51854 Police Building Windows (Pol Bthrm Ren)	110,000	88,848	33,109	11,466	9,686
51855 Fiber Optic Network-School/Twn	1,167,000	1,116,058	-	1,050	49,892
51873 Land Acquisition	1,253,639	1,170,568	5,883	-	83,071
51875 Town Facilities Shop/Storage	1,195,000	1,046,185	4	-	148,815
51888 Property Revaluation	1,851,500	1,563,440	17,974	-	288,060
51890 Townwide Boiler/HVAC Replaceme	557,323	556,812	-	-	511
51892 Document Management System	460,000	271,543	2,722	62,082	126,375
51911 Telephone System	175,000	173,630	-	-	1,370
51912 Tn Hall Improvements	1,717,283	1,712,342	12,495	-	4,941
51914 Townwide Roof Replacement	800,000	657,532	1,715	-	142,468
51915 Clean Renewable Energy In	1,437,044	1,275,555	1,115	49,274	112,215
Total GenGovt/Public Safety	16,637,487	14,046,161	207,367	710,325	1,881,000
PhyServices Sanitation (31007)					
51834 Bulky Waste Scale	91,000	91,523	-	-	(522)
52830 Bridge Replacement/Rehabil	5,150,000	4,576,376	1,074,165	264,558	309,066
52841 Bulky Waste Closure Fund	-	-	-	-	-
52847 Douglas/Sycamore Str Alignment	235,000	28,811	-	1,089	205,100
52848 Main Street Sidewalks Phase 3	1,040,000	542,264	496,623	127,904	369,832
52871 Parking/Access Drive Improvmt	800,000	596,889	-	-	203,111
52872 Hebron Avenue Resurfacing	1,276,806	1,072,994	14,186	28,459	175,353
52879 Sidewalk Construction Townwide ()	199,522	3,928	3,928	-	195,595
52881 Cedar Ridge Public Water	250,000	250,000	200,000	-	-
52882 Sidewalk Repair and Maintenanc	350,000	349,643	174,835	-	357
52883 Townwide Drainage Solutions	200,000	117,159	117,159	-	82,841
52884 Town Center Streetscape Improv	200,000	-	-	-	200,000
52886 Old Maids Lane-Public Water	175,000	-	-	-	175,000
52946 Road Overlay ()	1,396,735	995,601	995,601	11,529	389,604
52949 Gen Bicycle/pedestrian Imprvmt	89,262	-	-	-	89,262
52951 Heavy Equipment	439,070	163,702	-	192,733	82,635
52951 Heavy Equipment (San Wheel Loadr)	235,000	195,049	-	-	39,951
52958 Glastonbury Blvd Paving	2,200,000	1,740,742	1,740,440	97,422	361,836

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2021 THROUGH JANUARY 31 2021

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2021 THRU JANUARY	2021 ENCUMB	AVAILABLE BALANCE
52959 Traffic Calming	100,000	-	-	-	100,000
52960 Renovation andSite Restoration	1,573,189	1,576,344	-	-	(3,155)
52960 Renovation andSite Restoration (Slocumb Dam)	275,000	211,973	198,241	6,696	56,331
52961 Town Center Traffic/Street Imp	2,125,000	2,118,814	-	-	6,186
52963 Hebron Ave/House St Improvemen	1,975,000	1,515,866	150	236,763	222,371
52964 Public Water Service - Uranium	50,000	-	-	-	50,000
52965 Mill St Bridge Replacement	180,000	-	-	-	180,000
Total PhyServices Sanitation	20,605,583	16,147,678	5,015,327	967,152	3,490,752
Culture/Parks &Recreation (31008)					
53825 Addison Park Renovations	225,000	-	-	9,382	215,618
53832 Aquatics Facility	125,000	112,896	-	-	12,104
53837 Minnechaug Golf Improvements	512,500	374,909	19,163	2,006	135,585
53838 Library Exterior Renovations	94,624	-	-	-	94,624
53839 Multi-Use Trail	1,228,000	1,000,181	785,000	36,034	191,785
53841 Splash Pad	500,000	-	-	196,692	303,308
53853 Mower 16' Rotary Mower Rplcmnt	120,000	113,415	113,415	-	6,585
53856 Parks Facility Renov/Expansion	1,067,500	1,002,736	-	23,391	41,373
53856 Parks Facility Renov/Expansion ()	-	925	925	-	(925)
53857 Riverfront Park Extension	803,973	777,023	-	-	26,950
53860 Library Upgrade/Redesign	450,000	247,561	-	-	202,439
53861 Library Windows	156,376	156,376	-	-	-
53872 Salmon Bk PkStudy	-	-	-	-	-
53873 Grange Pool	350,000	344,572	-	-	5,428
53874 Tree Management	250,000	212,828	93,370	28,660	8,512
53875 Cider Mill	80,000	39,926	-	-	40,074
53920 Open Space Access	540,000	337,421	-	1,000	201,579
53921 Winter Hill	125,000	100,153	153	15,000	9,847
53930 Library Space Planning Study	39,485	39,485	-	-	-
Total Culture/Parks &Recreation	6,667,458	4,860,407	1,012,026	312,164	1,494,887
Education (31009)					
55836 HVAC/Boilers Study K-6	-	-	-	-	-
55836 HVAC/Boilers (CAP RES-GID WEL)	1,414,178	1,358,077	-	51,199	4,902
55839 Energy Audit--All Schools	275,500	241,303	-	-	34,197
55847 GHS Fieldhouse	1,965,000	111,519	24,204	16,153	1,837,328
55858 Schools Air Conditioning	2,175,000	2,175,000	-	1	(1)
55859 School Code Compliance	190,000	186,996	-	-	3,004
55860 GHS Kitchen Upgrades	1,675,000	1,649,688	1,366,331	-	25,312
55863 GHS Parking and Access Drives	365,000	365,616	-	-	(616)
55868 Smith Middle School Gym Floor	506,664	309,663	3,000	-	197,001
55870 School Roofs	50,000	14,788	-	3,600	31,612
Total Education	8,616,342	6,412,651	1,393,534	70,953	2,132,738

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2021 THROUGH JANUARY 31 2021

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2021 THRU JANUARY	2021 ENCUMB	AVAILABLE BALANCE
TOTAL 301 - CAPITAL RESERVE PROJECTS	52,526,870	41,466,897	7,628,255	2,060,595	8,999,378
FUND 302 - SEWER SINKING PROJECTS					
PhySer Sewer Sinking (32007)					
52888 WPC Emergency Power	202,500	154,104	2,154	-	48,396
52889 WPC Energy Conservation Prog	315,000	92,247	-	12,021	210,731
52893 Cider Mill Pump Station	1,791,000	1,670,692	9,800	-	120,308
52894 Sewer Forced Main Evaluation	-	-	-	-	-
Total PhySer Sewer Sinking	2,308,500	1,917,043	11,954	12,021	379,435
TOTAL 302 - SEWER SINKING PROJECTS	2,308,500	1,917,043	11,954	12,021	379,435
FUND 303 - LAND ACQUISITION					
Land / Open Space (33157)					
78827 Land 2009	2,233,000	2,233,000	-	-	-
78828 Land 2012	4,700,000	4,700,000	-	-	-
78829 Land 2016	3,000,000	3,000,000	-	-	-
78830 Land 2017	4,000,000	3,187,938	-	-	812,062
Total Land / Open Space	13,933,000	13,120,938	-	-	812,062
TOTAL 303 - LAND ACQUISITION	13,933,000	13,120,938	-	-	812,062
FUND 304 - TOWN AID					
PhySer Conn Grant (33207)					
52942 Town Aid Improved Rds ()	626,034	99,021	99,021	25,979	501,034
52943 Town Aid Unimproved Rds ()	18,387	5,510	5,510	-	12,877
Total PhySer Conn Grant	644,421	104,531	104,531	25,979	513,911
TOTAL 304 - TOWN AID	644,421	104,531	104,531	25,979	513,911
FUND 314 - RIVERFRONT PARK					
Riverfront Park - Phase I (34560)					
66805 Administrative	147,738	147,737	-	-	1
66810 Engineering	121,418	121,417	-	-	1
66824 Machinery & Equipment	196,373	196,373	-	-	-
66825 Construction	3,784,471	3,784,470	-	-	1
66829 Contingency	-	-	-	-	-
Total Riverfront Park - Phase I	4,250,000	4,249,998	-	-	2
RIVERFRONT PARK - PHASE II (34561)					
66805 Administrative	18,000	17,962	-	-	38
66810 Engineering	863,500	844,120	-	74	19,306
66825 Construction	14,680,000	14,712,305	-	-	(32,305)
66829 Contingency	48,500	30,833	-	-	17,668

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2021 THROUGH JANUARY 31 2021

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2021 THRU JANUARY	2021 ENCUMB	AVAILABLE BALANCE
Total RIVERFRONT PARK - PHASE II	15,610,000	15,605,220	-	74	4,706
TOTAL 314 - RIVERFRONT PARK	19,860,000	19,855,218	-	74	4,708
FUND 316 - GATEWAY PROJECT					
Gateway Corporate Park (35357)					
52845 Gateway Corp. Park	888,541	869,410	-	-	19,131
Total Gateway Corporate Park	888,541	869,410	-	-	19,131
TOTAL 316 - GATEWAY PROJECT	888,541	869,410	-	-	19,131
FUND 318 - LIBRARY RENOVATION					
Welles Turner Library Renov (34509)					
66805 Administrative	60,515	5,675	5,675	-	54,840
66810 Engineering	500,000	350,240	31,610	88,057	61,703
66825 Construction	5,000,000	49,643	49,643	4,282,740	667,617
66829 Contingency	950,000	-	-	-	950,000
Total Welles Turner Library Renov	6,510,515	405,557	86,927	4,370,797	1,734,160
TOTAL 318 - LIBRARY RENOVATION	6,510,515	405,557	86,927	4,370,797	1,734,160
GRAND TOTAL	96,671,847	77,739,595	7,831,667	6,469,466	12,462,786


TOWN OF GLASTONBURY

MEMORANDUM

DEPARTMENT OF ADMINISTRATIVE SERVICES

FINANCIAL ADMINISTRATION

TO: Board of Finance
Richard J. Johnson, Town Manager

FROM:  Julie Twilley, Director of Finance & Administrative Services
DATE: February 8, 2021
SUBJECT: Self Insurance Reserve Update January 2021

The attached report summarizes the Self Insurance Reserve fund through January 31, 2021. The total reserve is \$12,240,627 allocated \$2,060,053 and \$10,180,574 between Town and Board of Education, respectively. As of January the fund is experiencing a \$2,499,178 gain for the fiscal year. The recommended minimum reserve is \$5.7m (\$1.2m Town and \$4.5m BOE).

There are 4 large loss claims which are defined as any claims that exceed \$50,000. BOE has 4 while the Town has no large loss claims. None have exceeded the individual Stop Loss limit. The Individual Stop Loss limit is \$200,000 for BOE and \$150,000 for the Town

Enc.

cc: Dr. Alan Bookman, Superintendent
Karen Bonfiglio, Business Manager
Rose Brown, Human Resources Manager

SELF INSURANCE RESERVE FUND

YTD Balances As of: January 31, 2021

	Town	Education	Total
Contributions			
Employer	2,933,868	\$7,743,872	\$10,677,740
Employee	738,259	1,538,667	2,276,926
Stop Loss Reimbursement	31,657	33,689	65,346
Total Revenues	\$3,703,784	\$9,316,228	\$13,020,012
Expenditures			
Anthem			
ASO Fees	\$49,320	\$163,125	\$212,445
Claims	1,480,212	4,931,952	6,412,165
	\$1,529,533	\$5,095,077	\$6,624,609
CTCare			
ASO Fees	\$3,582	\$30,374	\$33,956
Claims	540,070	1,832,240	2,372,310
	\$543,652	\$1,862,615	\$2,406,267
Delta Dental			
ASO Fees	\$10,125	-	\$10,125
Claims	107,142	-	107,142
	\$117,267	-	\$117,267
Bank Fees/PCORI Fee	\$1,098	\$3,753	\$4,851
CT Prime	355,400	967,440	\$1,322,840
OneDigital Consultant Fees	9,000	36,000	45,000
	\$365,498	\$1,007,193	\$1,372,691
Total Expenditures	\$2,555,949	\$7,964,884	\$10,520,834
Current Year Revenues Less Expenses	\$1,147,835	\$1,351,343	\$2,499,178
Reserve July 1, 2020	\$912,218	\$8,829,231	\$9,741,449
Reserve at end of month	\$2,060,053	\$10,180,574	\$12,240,627

	Town		BOE		Total
Reserve at end of month	\$ 2,060,053	\$	10,180,574	\$	12,240,627
Recommended Minimum Reserve	\$ 1,242,548	\$	4,456,379	\$	5,698,927
Variance Over/(Under) Reserved	\$ 817,505	\$	5,724,195	\$	6,541,700